UNITED
NATIONS

TD

United Nations
Conference
on Trade and
Development

Distr.
GENERAL

TD/B/44/11/Add.1
6 August 1997

Original : ENGLISH

TRADE AND DEVELOPMENT BOARD
Forty-fourth session
Geneva, 13 October 1997
Item 6(a) of the provisional agenda

REVIEW OF TECHNICAL COOPERATION ACTIVITIES OF UNCTAD

Report by the Secretary-General of UNCTAD

Addendum

Annex 1 - Review of activities undertaken in 1996

CONTENTS

	Paragraphs
I. INTRODUCTION	**1 - 3**
II. REVIEW OF ACTIVITIES BY PROGRAMME AREA	**4 - 282**
A. Division on Globalization and Development Strategies	**4 - 36**
1. Macroeconomic and Development Policies	**4 - 10**
2. Globalization, Development and Debt Management	**11 - 28**
a. Globalization Finance and Sustainable Development	11 - 18
b. The DMFAS Programme	19 - 28
3. Special Programmes	**29 - 36**
a. Special Economic Unit (Palestinian People)	29 - 33
b. Trust Fund on Iron Ore	34 - 36

GE.97-51393

		Paragraphs
B.	Division on International Trade in Goods and Services, and Commodities	37 - 150
1.	**Trade Analysis and Systemic Issues**	**37 - 96**
	a. Development of Trade Capacities	37 - 67
	i. African countries' participation in the International trading system	37 - 45
	ii. Tripartite project for Africa	46 - 56
	iii. Asia and the Pacific	57
	iv. Accession to the WTO	58 - 61
	v. Trade in Services (The CAPAS Programme)	62 - 67
	b. Trade Analysis and Information System (TRAINS)	68 - 73
	c. Preferential Arrangements	74 - 96
	i. The GSP and other Trade Laws	74 - 80
	ii. The GSTP	81 - 89
	iii. The Mediterranean Region	90 - 96
2.	**Commodities**	**97 - 111**
	a. Commodity Marketing and Risk Management	97 - 103
	b. Natural Resources	104 - 107
	c. International Trade in Metal Waste and Scrap	108 - 111
3.	**Trade, Environment and Development**	**112 - 123**
4.	**Competition Law and Policy and Consumer Protection**	**124 - 131**
5.	**TRAINFORTRADE**	**132 - 150**
C.	**Division on Investment, Technology and Enterprise Development**	**151 - 206**
1.	**International Investment, Transnationals and Technology Flows**	**151 - 163**
2.	**National Innovation and Investment Policies**	**164 - 186**
3.	**Enterprise Development**	**187 - 206**
D.	**Division for Services Infrastructure for Development and Trade Efficiency**	**207 - 268**
1.	**Trade Infrastructure**	**207 - 229**
	a. Transport	207 - 217
	i. ACIS	207 - 210
	ii. Ports, Shipping and Training	211 - 217
	b. Trade Facilitation	218 - 228
	i. ASYCUDA	218 - 224
	ii. Multimodal Transport	225 - 228
2.	**Business Facilitation**	**229 - 237**
	Banking and Insurance	229 - 237

		Paragraphs
3.	**Services for Development**	**238 - 250**
	a. New Financial Services	238 - 245
	b. Human Resources Development	246 - 250
4.	**Global Trade Point Network**	**251 - 268**
E.	**Office of the Special Coordinator for Least Developed, Land-locked and Island Developing Countries**	**269 - 277**
F.	**Executive Direction and Management and Support Services**	**278 - 282**

Tables **Pages**

A.	Division on Globalization and Development Strategies	10 - 13
B.	Division on International Trade In Goods and Services and Commodities	35 - 41
C.	Division on Investment, Technology and Enterprise Development	53 - 57
D.	Division for Services Infrastructure for Development and Trade Efficiency	68 - 77
E.	Office of the Special Coordinator for Least Developed, Land-locked and Island Developing Countries	80
F.	Executive Direction and Management and Support Services	82

Explanatory notes

- Amounts in brackets indicate negative value.
- IALA means "Inter-Agency Letter of Agreeement".
- OPC means "Operationally but not financially completed".
- The asterisk * following the project number indicates that UNCTAD acted as associate agency.
- Details and percentages do not necessarily add up to totals, owing to rounding.

I. INTRODUCTION

1. This annex provides a description of the main technical cooperation projets and programmes undertaken by UNCTAD in 1996.

2. It is presented, as far as possible, in accordance with the structure of the divisions/branches of the secretariat responsible for backstopping the projects/programmes concerned.

3. A list of individual projects implemented by each organizational unit follows the corresponding narrative.

II. REVIEW OF ACTIVITIES BY PROGRAMME AREA

A. Division on Globalization and Development Strategies

1. Macroeconomic and Development Policies

(i) Technical support to the Intergovernmental Group of 24

4. **Development context**. The international monetary and financial system has a decisive impact on the interdependence between international trade, finance and development, as it contributes to shaping the international environment for development and national macroeconomic policies in individual countries. The role of the Intergovernmental Group of Twenty-four (G-24) is to strengthen the contribution of the developing countries in discussions and negotiations on issues related to the design and functioning of the international monetary and financial system.

5. **Objectives**. The project aims at strengthening the G-24 in its efforts to build the necessary capacity of developing countries for making meaningful contributions to the design of the international monetary and financial system and strengthening their ability to cope with the consequences of interdependence.

6. **Features/outputs/results**. The G-24 was provided with technical studies and research papers on selected topics, prepared by internationally renowned experts, for the preparation of discussions and negotiations on international monetary and financial issues in the framework of the IMF's Interim Committee, the Joint IMF/World Bank Development Committee, and other bodies. The papers were first presented to the Technical Group of the G-24 and then to the Meetings of G-24 Deputies and Ministers, before being published in a special series. In 1996, drafts of eight research papers were submitted to the G-24, including studies on the new conditionalities of the international financial institutions; external debt, structural adjustment and economic growth; a multilateral debt facility; and the experience of developing countries with external capital flows and capital-account regulations. Moreover, the G-24 was provided with an assessment of the World Bank's World Development Report 1996. Seven papers that had been submitted earlier were published in Vol. VII of "International Monetary and Financial Issues for the 1990s", including studies on a potential new facility for the IMF, multilateral debt relief for severely indebted countries, the reform of the global financial system, and consequences of the Uruguay Round for the developing countries, as well as a review of the current debate on a new allocation of SDRs and a critical assessment of the World Bank's World Development Reports 1994 and 1995.

7. The project continued to contribute to enhancing the developing countries' understanding of current and upcoming issues subject to discussion and negotiation in the international financial institutions, and to improve their technical preparedness to contribute constructively to these discussions. The

research programme maintained an active pace in 1996, and interaction with G-24 members was further improved.

(ii) East Asian Development: Lessons for a New Global Environment

8. **Development context**. The process of rapid outward-oriented development in the newly industrialized economies (NIEs) in East and South-East Asia has been at the centre of the debate on development policy in recent years. At the same time, the question as to what extent lessons can be drawn from the East Asian experience has received increasing attention among policy-makers. Appropriate answers to this question can contribute to the design of new development strategies in other developing countries.

9. **Objectives**. The project has aimed at enhancing the perception among policy-makers in developing countries and economies in transition of the factors that have contributed to rapid outward-oriented development and remaining problems in the NIEs of East and South-East Asia, and at contributing to the formulation of new development strategies by advancing, especially, the understanding of the role played by government policies; the role of agricultural development; and the relevance of the new international environment for outward-oriented development following the conclusion of the Uruguay Round.

10. **Features/output/results**. A Conference was convened in February-March 1996 in Kuala Lumpur (Malaysia). It served as a forum for an exchange of views on the lessons that can be drawn from the experience of the NIEs. The Conference was provided with a report by the UNCTAD secretariat, synthesizing the findings of the research leading to the Conference, and nine expert studies on new trends in Japanese foreign direct investment; institutions, economic policy and growth in the Republic of Korea and Taiwan Province of China; the economic impact of regional integration; growth and structural change in the second-tier South-East Asian NIEs; the role of agriculture in the early phase of Japan's industrialization; a comparison of Latin American and Asian savings performances; the WTO and industrial policies; a reconsideration of the "flying-geese" paradigm; and savings, investment and the corporation in the East Asian Miracle.

2. Globalization, Development and Debt Management

a. Globalization, Finance and Sustainable Development

(i) Development of a global greenhouse gas emissions trading system

11. The Intergovernmental Panel on Climate Change (IPCC), in its Second Assessment Report (1995), concluded that projected climate change would result in important, often adverse, impacts in many areas, including economic sectors; and that a significant reduction in net greenhouse gas emissions is required.

12. **Objectives**. The project seeks to encourage a better understanding of the role and benefits of market-based instruments in achieving cost-effective greenhouse gas emissions abatement.

13. **Output/results**. During the reporting period, the project published a major report entitled "Legal Issues Presented by a Pilot International Greenhouse Gas Trading System" (UNCTAD/GDS/GFSB/Misc.1), and an illustrated short companion version entitled "A Pilot Greenhouse Gas Trading System: The Legal Issues" (UNCTAD/GDS/GFSB/Misc.2). These reports discuss the principal legal, institutional, and organizational aspects of a pilot international greenhouse gas (GHG) trading system, and options for its implementation. Key aspects of international and domestic regimes and institutions needed to support an appropriate regulatory framework, as well as monitoring, certification and enforcement of the pilot GHG trading system, are also examined.

14. The publication of these reports at the end of 1996 coincided with increased emphasis by Governments participating in international climate negotiations on the need for greater flexibility in terms of both the timing and location of emissions reduction activities, and on how compliance is achieved in order to minimize the cost of emissions abatement. Emissions trading has emerged as a key instrument in the policy options available to Governments for responding to the threat of climate change. Work carried out by the project since 1991 (and published in seven volumes between 1992 and 1996) has played a major role in analysing the issues, assessing the feasibility, and providing an understanding of viable pathways to the establishment of an initial-phase international GHG emissions trading market. As a result of the activities of this project, a policy forum on greenhouse gas emissions trading will be launched in June 1997 by UNCTAD and the Earth Council.

(ii) Non-OECD debt of sub-Saharan African countries

15. **Development context**. A number of sub-Saharan African countries have incurred high amounts of debt to non-Paris Club official creditors. Arrears on such debt have tended to escalate in the 1990s, while the flows of new finance have sharply declined. Further action is needed to normalize relations of the concerned debtor countries with non-OECD creditors and to restructure the debt with the aim of reducing sub-Saharan African countries' overall debt burden to sustainable levels. Moreover, under the heavily indebted poor countries (HIPC) initiative, burden-sharing and comparable treatment from all official creditors will be required for the provision of enhanced debt relief for HIPC countries.

16. The project's **objective** was to assess the importance of debt owed by sub-Saharan African countries to non-OECD official creditors and examine the approaches to resolving this problem in the framework of a comprehensive debt strategy. Further aims were to promote a constructive dialogue between debtors, creditors and third party countries and institutions; facilitate the exchange of information and experiences among debtor countries; and determine the capacity-building needs of African countries to enhance effective debt management.

17. **Features**. UNCTAD organized a high-level policy seminar in October 1996 which was attended by high-level officials responsible for debt management in 11 sub-Saharan African countries, as well as representatives from creditor countries and other experts. They had before them a report (UNCTAD/GID/Misc.42) assessing the scale and nature of sub-Saharan Africa's debt to non-OECD official creditors and discussing policy options.

18. **Results and impact**. The seminar can be seen as an important contribution to the understanding of debt management problems of developing countries, in accordance with the Midrand Declaration adopted by UNCTAD IX in May 1996. Participants agreed that it provided a good opportunity to discuss and better grasp the complexities of the problems of debt to non-OECD creditors and consider different approaches to dealing with them. They were also able to establish a network of contacts for further information exchange. The seminar further provided the occasion for review and specification of the capacity-building needs of sub-Saharan African countries in the area of debt management. It received substantial media coverage, and initial demand for the seminar's background report was considerable.

b. The DMFAS Programme

19. **Development context**. The scant attention paid by many developing countries to the basic function of debt management was one of the contributing factors to the debt crisis of the 1980s. Such basic functions include: (a) having accurate and up-to-date records of all external loans; (b) being fully aware of the timing and amounts of debt servicing obligations; and

(c) being able to project the impact of foreign borrowing decisions of various entities on the overall debt profile and balance of payments.

20. The **objectives** of the Programme are to assist developing countries and countries in transition to develop appropriate administrative, institutional and legal structures for effective debt management; to establish an adequate information system, with detailed and aggregated data on loan contracts, past and future disbursements, and past and future debt service payments; to improve national capacity to define and select appropriate debt strategies; and to improve national capacity to record grants and projects financed through external resources, thereby contributing to aid management.

21. **Features**. UNCTAD developed a technical co-operation package known as the Debt Management and Financial Analysis System (DMFAS). The core of this package is a computer-based debt management system. This system is usually installed in Central Banks and/or Ministries of Finance within the framework of a technical cooperation country project, funded by UNDP, other multilateral and/or bilateral donors, or sometimes Governments themselves.

22. The assistance under the Programme consists of three main features:

- Software designed to fulfil the operational, statistical and analytical needs of debt managers and those involved in elaborating external debt strategies;
- Training in the use of the software;
- Advisory services, including needs assessments and advice on technical, administrative, legal and institutional debt management issues, and assistance in software installation and maintenance;

23. With more than 25 active projects and expenditures of more than US$ 2 million, the DMFAS Programme is one of the main technical co-operation programmes of UNCTAD.

24. **Output/results/impact**. In 1996, activities were focused on the implementation of the new version of the system, DMFAS 5.0, which is replacing the current version 4.1 Plus, in existing and new client countries. The new version, which is available in English, French and Spanish, has been developed using Oracle's relational database management system and its fourth-generation programming tools. The new DMFAS 5.0, which cumulates more than 10 years of experience in the area of debt management, is a state-of-the-art standard debt management system and is expected to become the most widely used standard system in the world. Over the last four years, the Programme has doubled its client base to more than 40 countries. Together, the long- and medium-term debt being or to be managed by DMFAS is close to US$ 400 billion and represents around 25 per cent of the debt of this group of countries. It is expected that this expansion will continue and that by the year 2000 the Programme will have a client base of around 60 countries.

25. During 1996, the system, which had been released in 1995 and introduced in five countries (Argentina, Bangladesh, Paraguay, Romania and Zambia), was installed in 10 other countries (Ecuador, Kazakstan, Mauritania, Nicaragua, Pakistan, Panama, Uganda, Ukraine, Viet Nam and Zimbabwe). In addition to the maintenance of the system, implementation and support, major activities also included needs assessments and demonstration missions, as well as the design of national and regional projects. Also in 1996, the translation of the system into Russian was initiated, with the assistance of the World Bank.

26. The gains obtained from the DMFAS Programme by user countries is difficult to quantify, as the benefits of better information, analysis, negotiations and policy-making cannot be measured. However, it is generally accepted that these gains far exceed the cost of DMFAS country projects. The cost of the projects range from US$ 100,000 to US$1 million and depends on the activities to be

undertaken, the size of the debt data base to be computerized, the equipment and the staff included in the project.

27. As a minimum, DMFAS pays for itself by making debt servicing procedures more efficient and by checking inconsistencies in the claims of creditor agencies. Substantial savings can also be made by avoiding unnecessary costs such as overpayments to creditors or penalty interests due to poor book-keeping. In Argentina, for example, where the DMFAS project cost around US$ 1 million, the direct savings made during the actual implementation of the project amounted to around $25 million.

28. While the DMFAS Programme provides its products and services within the framework of country projects, for which funding is generally available, it operates with a central team of experts (now 16 professionals) based in Geneva. Since 1995, in addition to regular budget and country projects, this team is mostly funded by a group of bilateral donors, including Belgium, Denmark, Finland, Italy, Netherlands, Norway, Sweden and Switzerland. In June and November 1996, donor meetings were organized in order to obtain the required resources for a multi-year programme form 1997 to 2000. Discussions are under way in order to ensure stable and adequate funding of the Programme so that it can continue to respond to the challenges ahead.

3. Special Programmes

a. Special Economic Unit (Palestinian People)

29. Activities with the Palestinian Authority (PA) have been included in the work of the relevant substantive divisions. Such activities are being backstopped by the division concerned with the support of the Special Economic Unit.

30. **Development context**. Pursuant to the provisions of General Assembly resolution A/50/58 H and the 1996-1997 work programme of UNCTAD, the secretariat intensified its work on the Palestinian economy. In view of pressing needs for the revival and development of the Palestinian economy, the orientation and emphasis of work have been focused on technical cooperation activities.

31. The **objective** of UNCTAD's activities is to strengthen the institutional, managerial, technical and operational capacities of the nascent PA and assist the private sector in contributing to the revival of the trade sector. Efforts were specifically concentrated on promoting the growth and development of the external trade sector and enhancing its role in the economy and its dynamic interaction with related sectors, especially finance and other services.

32. **Features**. In response to requests received from the Palestinian Authority, the following technical cooperation activities were undertaken during the period under review:

- A multidisciplinary mission was fielded to the West Bank and Gaza Strip with a view to assessing the needs of Palestinian public and private sector organizations involved in external trade and related services (June 1996). Discussions with the Palestinian Authority concentrated on three main issues, i.e. the post-Uruguay Round and WTO developments, assessment of needs as regards an effective system for collection of customs revenues and generation of comprehensive and reliable customs data (ASYCUDA), and assessing immediate and long-term needs of the Palestinian Central Bureau of Statistics as regards the development of its statistical series on external trade in goods and services. Detailed mission reports analysing the situation, identifying needs and proposing feasible measures for action were prepared and submitted to the concerned PA Ministries and Departments, in addition to UNDP and

UNSCO (Office of the United Nations Special Coordinator), for their consideration.

- Two workshops were convened (one in the West Bank and the other in the Gaza Strip) on the emerging international trading system and its implications for the Palestinian economy (March 1997). A wide range of issues were covered, including post-Uruguay Round and WTO developments, market access, trade opportunities in agriculture, textiles and services, as well as needs and strategies for the development of human resources in these and other areas of the trade sector.

- The preparatory work for the implementation of a UNDP-funded project for the establishment of an industrial estate/export processing zone in Nablus, West Bank, was undertaken in 1996 and completed in early 1997.

- Consultations with the PA Ministry of Finance were carried out to prepare for the implementation of a project to strengthen technical and operational capacities in the Palestinian customs administration (ASYCUDA). UNCTAD also participated in a workshop convened by the PA on the reform of the Palestinian customs administration.

- Consultations were carried out with various PA Ministries/Departments on proposed projects emerging in different areas of the Palestinian economy (including on procurement of strategic food commodities, strengthening domestic insurance capacities, operation of the Gaza Seaport, and Palestinian international trade statistics).

33. **Output/results/impact**. The two workshops adopted a number of recommendations for follow-up action. This included follow-up on a project proposal concerning the establishment of Trade Points and preparation of project profiles for "Human resources development (TRAINFORTRADE)" and for "Expansion of trade in goods and services between the Palestinian territory and Egypt, Jordan and other trading partners". The project profiles thus prepared were submitted by the PA to UNDP for its consideration and subsequent funding.

b. Trust Fund on Iron Ore

34. **Development context**. Following the suspension of the activities of the Association of Iron Ore Exporting Countries (APEF) as of 1 June 1989, the Governments of certain countries decided to establish a trust fund project on iron ore information administered by UNCTAD.

35. **Output/results**. **"Iron Ore Statistics" and its Supplement**. Continuing a series that started in 1989, this statistical report and its supplement are published biannually in June and November. They contain tables with worldwide and country-specific data for iron ore production, exports, imports, prices, pellet production, exports and production capacity. The first issue updates the series until the previous year, while the supplement contains data and estimates for the first half of the year.

36. **Market Report on Iron ore**. The 1996 Report is the latest issue of a series of annual publications (usually issued in June) containing updated data for iron ore production, trade and prices, as well as a market analysis.

A. Division on Globalization and Development Strategies

Country/Territory/ Region	Project Number		Short Title	Duration		Status in 1996	Type of project	Source of funds	Total Budget	Expenditures Cumulative	1996
1. Macro-economic and Development Policies											
REGIONAL AFRICA	RAF/96/A40		Economic development and regional dynamics in Africa: lessons from the East Asian experience	1996	1997	ONGOING		JAPAN	265	0	0
INTERREGIONAL	INT/89/A15		Studies for the G24	1990	1997	ONGOING		MULTIDONORS	171	158	21
	INT/91/A21		Studies on international monetary & financial issues for G24	1991	1997	ONGOING		NETHERLANDS	155	138	16
	INT/93/118		Exchanges of national experiences on poverty alleviation	1993	1996	OPC		UNDP	85	68	-16
	INT/93/A30		Technical support to the G24	1993	1997	ONGOING		DENMARK	53	48	5
	INT/93/A33		G24 Technical support services (Phase II)	1993	1996	OPC		CANADA	106	104	48
	INT/95/A64		International Monetary and Financial Issues for the 1990s	1995	1996	OPC		SWEDEN	29	29	3
	INT/96/A13		Development of East and South-East Asia and new development strategy - role of the Government (Conference of eminent persons)	1996	1997	ONGOING		JAPAN	265	197	197
	INT/96/A22		Seminar on "Globalization and liberalization: effects of international economic relations on poverty"	1996	1996	ONGOING		SWITZERLAND	44	35	35
				Total Macro-economics and Development Policies:					**1,173**	**775**	**309**
2. Globalization, Development and Debt Management											
a. Globalization, Finance and Sustainable Development											
MAURITIUS	MAR/93/005	*	Support to Capacity Building for Economic and Social Development	1995		ONGOING	IALA/GOVT	UNDP	136	16	0
REGIONAL AFRICA	RAF/96/A45		Seminar on the non-OECD debt of sub-Saharan African countries	1996	1997	ONGOING		NETHERLANDS SWITZERLAND	84	56	56

Country/Territory/ Region	Project Number	Short Title	Duration		Status in 1996	Type of project	Source of funds	Total Budget	Expenditures Cumulative	1996
INTERREGIONAL	INT/91/A18	Support for the conversion of official bilateral debt	1991	1997	ONGOING		ITALY	353	319	8
	INT/91/A29	Development of a pilot scheme for trading CO2 emission entitlements (Phase III)	1991	1998	ONGOING		NORWAY CANADA	1,160	357	36
	INT/93/A01	Strengthening debtor countries' capacity to reschedule debt owed to Paris Club creditors (Phase II)	1993	1997	OPC		ITALY	156	156	13
			Sub-total Globalization, Finance and Sustainable Development:					***1,890***	***904***	***113***
b. The DMFAS Programme										
ARGENTINA	ARG/93/045	DMFAS	1993	1997	ONGOING		UNDP	1,005	1,000	158
BANGLADESH	BGD/88/058	Debt management	1992	1996	OPC	IALA/GOVT	UNDP	751	724	63
BOLIVIA	BOL/94/002	Ampliación y fortalecimiento del proceso de informatización de la gestión de la deuda externa de Bolivia	1993	1997	ONGOING		UNDP	56	47	4
BELARUS	BYE/94/002	Strengthening the external debt management capacity	1995	1997	ONGOING		UNDP	83	13	2
CENTRAL AFRICAN	CAF/95/A42	Information de la gestion de la dette extérieure	1995	1997	ONGOING		CENTRAL AFRICAN	53	26	26
DOMINICAN REP	DOM/95/A05	Control y administración del endeudamiento externo	1996	1997	ONGOING		DOMINICAN REPUBLIC	158	0	0
ECUADOR	ECU/94/A35	Control y administración de la deuda publica	1994	1997	ONGOING		ECUADOR	76	71	15
	ECU/96/A01	DMFAS	1996	1999	ONGOING		ECUADOR	429	55	55
ETHIOPIA	ETH/88/009	Registration & control of external debt	1989	1997	ONGOING		UNDP	165	145	2
KAZAKSTAN	KAZ/96/A28	Implementation of DMFAS 5.0	1996	1997	ONGOING		USAID	151	139	139
MEXICO	MEX/96/003	Control y administración del endeudamiento público	1996	1997	ONGOING		UNDP	54	28	28
MOROCCO	MOR/96/A41	Audit du système de gestion de la dette	1996	1997	ONGOING		MOROCCO	12	0	0
PAKISTAN	PAK/96/A30	Implementation of DMFAS 5.0 in the Ministry of Finance and Economic Affairs (Economic Affairs Division)	1996	1997	ONGOING		PAKISTAN	43	12	12

Country/Territory/ Region	Project Number		Short Title	Duration		Status in 1996	Type of project	Source of funds	Total Budget	Expenditures Cumulative	1996
PANAMA	PAN/95/028		Control y administración del endeudamento público	1995	1997	ONGOING		UNDP	434	225	225
PARAGUAY	PAR/95/003		Control y administración del endeudamiento público	1995	1997	ONGOING		UNDP	250	105	85
PHILIPPINES	PHI/95/002	*	Investment programming and debt management	1996	1998	ONGOING	IALA/GOVT	UNDP	125	13	13
ROMANIA	ROM/94/A46		Registration and control of external debt	1994	1997	ONGOING		JAPAN, WORLD BANK	211	186	15
SAO TOME & PRINCIPE	STP/96/002	*	Renforcement des capacités de gestion de la dette du Ministère des Finances et de la Planification et de la Banque Centrale	1996	1997	ONGOING		UNDP	37	0	0
UGANDA	UGA/96/A51		Implementation of DMFAS 5.0 in the Ministry of Finance & Economic Planning	1996	1997	ONGOING		UGANDA	34	0	0
UKRAINE	UKR/94/003		Capacity building in external debt management	1994	1997	ONGOING	Preparatory Assistance	UNDP	48	46	41
UZBEKISTAN	UZB/96/001	*	Strengthening the debt management capacity of the Government	1996	1997	ONGOING	IALA/UNDP	UNDP	100	0	0
VIET NAM	VIE/93/007	*	Strengthening financial policies and institutions	1996	1997	ONGOING	IALA/IMF	UNDP	205	24	24
	VIE/95/A08		DMFAS	1996	1997	ONGOING		ASIAN DEVELOPMENT BANK	78	69	69
REGIONAL AFRICA	RAF/94/A51		Strengthening the debt management capacity of ESAIDARM Member countries	1994	1997	ONGOING		ESAIDARM	298	265	100
INTERREGIONAL	INT/89/A06		Norwegian support to UNCTAD's debt management	1989	1997	ONGOING		NORWAY	311	324	41
	INT/92/A15		Associate expert - DMFAS	1992	1997	ONGOING		NORWAY	261	222	-7
	INT/95/A11		Strengthening the debt management capacity of developing countries	1995	1997	ONGOING		SWITZERLAND	1,366	757	436
	INT/95/A36		DMFAS - Phase Two: Strengthening the Debt Management Capacity of Developing Countries	1995	1997	ONGOING		ITALY	88	84	11
	INT/95/A43		Strengthening Debt Management Capacity of Developing Countries	1995	1996	ONGOING		DENMARK	266	269	45

Country/Territory/ Region	Project Number	Short Title	Duration		Status in 1996	Type of project	Source of funds	Total Budget	Expenditures Cumulative	1996
	INT/95/A66	Strengthening the debt management capacity of developing countries	1995	1996	OPC		NETHERLANDS	737	749	355
	INT/95/A85	Strengthening the debt management capacity of developing countries	1995	1997	ONGOING		SWEDEN	265	233	233
	INT/95/A89	Strengthening the debt management capacity of developing countries	1995	1997	ONGOING		NORWAY	191	81	81
	INT/96/A15	Strengthening the debt management capacity of developing countries	1996	1997	ONGOING		FINLAND	207	133	133
	INT/96/A42	Support for debt management	1996	1997	ONGOING		ITALY	177	0	0
	INT/96/A58	Strengthening the debt management capacity of developing countries	1996	1997	ONGOING		BELGIUM	186	0	0
						Sub-total DMFAS Programme:		***8,911***	***6,046***	***2,365***
						Total Globalization, Development and Debt Management:		***10,801***	***6,949***	***2,498***
3. Special programmes										
PALESTINIAN TERRITORY	PAL/89/A11	Assistance to the Palestinian people	1989	1996	OPC		AIDO, League of Arab States, OPEC	126	127	10
INTERREGIONAL	INT/94/A37	Collection and dissemination of iron ore statistics	1994	1997	ONGOING		MULTIDONORS	226	145	72
						Total Special Programmes:		***352***	***272***	***82***
						Total DIVISION ON GLOBALIZATION AND DEVELOPMENT STRATEGIES:		***12,326***	***7,996***	***2,889***

B. Division on International Trade in Goods and Services, and Commodities

1. Trade Analysis and Systemic Issues

a. Development of trade capacities

(i) African countries' participation in the international trading system: Country-specific studies on the impact of the Uruguay Round

37. African countries face an immediate dual challenge: (i) how to harness the potential benefits from the Uruguay Round Agreements, as well as meeting their obligations in the WTO; and (ii) engage constructively and effectively in the WTO debate on the new trade agenda.

38. The studies aim at assisting Governments to better understand the overall impact of the Uruguay Round Agreements on their individual economies and thus facilitate policy adaptation and adjustment, as well as taking maximum advantage of the trade opportunities created by the Round.

39. The methodology used in conducting the studies aims at meeting the following needs:

- Providing Governments and the private sector with the necessary analysis on new market access conditions to enable them to identify immediate and potential trading opportunities created by the Uruguay Round in both traditional and non-traditional markets;

- Providing Governments with adequate information pertaining to the sectoral impact of the relevant agreements that will enable Governments to review current and future policies with a view to adapting to the new trading environment;

- Enabling Governments to identify trade policy options for deriving advantages and coping with the challenges of the newly established multilateral trading framework. In this context, Governments will be assisted in taking advantage of the special and more favourable treatment available to them.

40. A study on the impact of the outcome of the Uruguay Round on trade and development prospects of the SADC countries was carried out jointly by UNCTAD and SADC's Sector on Industry and Trade at the request of the member countries of SADC. The study was presented to the SADC Trade Ministers Meeting in Arusha in October/November 1996, assisting them in their assessment of the Uruguay Round results and in identifying future policy actions. At the end of their meeting, the SADC Ministers adopted policy recommendations and a common position which was presented at the WTO Singapore Ministerial Conference (SMC) in December 1996.

41. Three studies were launched in Ghana, Malawi and Namibia in response to requests from these countries for assistance in assessing the impact of the Uruguay Round on their individual countries in order to determine appropriate policy responses for adjusting to the post-Uruguay Round environment. The studies have now been completed and national workshops were organized for Malawi and Namibia in November 1996 to consider the findings and recommendations.

42. These studies have served to raise the awareness of the Uruguay Round Agreements and their implications for the countries concerned. In addition, they have helped to focus policy-makers' attention on the main policy issues facing them in adjusting to the new post-Uruguay Round environment and provided a catalyst for informed policy actions regarding institutional requirements and the new global market challenges and opportunities.

Pre-Singapore preparatory assistance to African countries

43. The pre-Singapore preparatory assistance had the objective of ensuring that African countries were adequately sensitized with regard to the agenda of the WTO Singapore Ministerial Conference, particularly on problems of implementation and new issues.

44. Two one-day briefing sessions were organized for a total number of 20 countries in Abidjan (12 countries)[1] - French-speaking - and Kampala (8 countries)[2] - English-speaking - on 21 September and 19 October 1996 respectively. Representatives from ECOWAS and COMESA attended the briefing sessions in Abidjan and Kampala respectively. These events were organized in cooperation with the ACP Secretariat in conjunction with the ACP/EU regional seminars on the Uruguay Round Agreements which had been scheduled for these countries.

45. The sensitization exercise had the impact of enhancing the knowledge of the beneficiary countries on the new issues before the SMC.

(ii) Tripartite project: The UNCTAD component of the ITC/UNCTAD/WTO Integrated Programme of Technical assistance for Africa

46. **Development context**. At UNCTAD IX, it was agreed that UNCTAD should focus on assisting in the effective integration of developing countries into the international trading system so as to promote their development, and that this work should be undertaken in cooperation with WTO and other relevant international organisations. The Integrated Programme is the response of ITC, UNCTAD and WTO to this decision.

47. The programme's overall **objective** is to enhance the development prospects and competitiveness of African countries through increased participation in international trade. It emphasises human resource development and institutional capacity-building as well as the strengthening of export supply capabilities. It is designed to maximise cooperation among the three co-sponsoring organisations and to improve the utilisation and effectiveness of available resources. It is carried out in two main stages.

48. **Features**. The programme was designed to be implemented in two main stages, as outlined below.

49. In **stage one**, priority attention is given to human resource development and institutional strengthening by focusing on the implementation of the Uruguay Round agreements. Activities include:

(1) Public awareness campaigns on the WTO agreements;
(2) National and subregional seminars for the public and private sectors on the multilateral framework for international trade;
(3) National and subregional seminars for the public and private sectors on new post-Uruguay Round trading opportunities; and
(4) The training of trainers in international trade.

50. UNCTAD's contribution is especially focused on activities (1), (2) and (4).

---

[1] Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Djibouti, Guinea, Guinea-Bissau, Madagascar, Mali, Mauritania, Niger and Togo.

[2] Eritrea, Ethiopia, Kenya, Mauritius, Seychelles, Sudan, Uganda and United Republic of Tanzania.

51. **Stage two** concentrates on policy and other supportive measures to strengthen export supply capacities so as to exploit the new trading opportunities identified. The focus of activities is on:

(1) Strengthening institutional capacities for trade policy;
(2) Supporting product and export market diversification;
(3) Removing trade-related bottlenecks;
(4) Improving the efficiency of trading;
(5) Strengthening trade negotiating capacities; and
(6) Promoting the flow of information to the business community and the public sector.

52. UNCTAD's contribution is especially focused on activities (1), (3), (4) and (5).

53. **Output/results/impact**. The countries currently covered by the programme are: Benin, Burkina Faso, Côte d'Ivoire, Ghana, Kenya, Tunisia, Uganda and United Republic of Tanzania. In all these countries, joint ITC/UNCTAD/WTO fact-finding missions were undertaken from May to September 1996 to assess trade-related human resources and institutional development needs and to begin the process of selecting trainers. These fact-finding missions were followed up selectively by more comprehensive needs assessment and programming missions (10-15 days each). As a result of these missions, reports for each of the eight countries were prepared by December 1996 and shared with the recipient countries.

54. The needs assessment missions identified the following major problems common to all eight of the countries examined:

- Limited information and knowledge about the multilateral trading system (including rights and obligations);
- Weak institutional structures and scarce human resources with the relevant skills;
- Limited access to relevant training;
- Poor or inadequate infrastructure and trade support services;
- Export supply capacity constraints; and
- Lack of a clear external sector strategy and supportive trade policy framework.

55. In addition, needs of a nature more specific to each country were also identified. Together, the general and specific needs have been used (in 1997) to prepare project proposals for each of the eight countries.

56. Given the nature of the integrated programme, all eight country projects should begin implementation at similar times to allow cross-country management, experience-sharing and reviews, as well as to rationalise resources. Funds still need to be secured for all eight country programmes.

(iii) Pre-Singapore Preparatory Assistance to Asia and the Pacific countries

57. A three-day meeting of senior officials organized by ESCAP, UNCTAD and UNDP to assist in the preparations for the first WTO Ministerial Conference was held from 4 to 6 September 1996 in Jakarta. For this meeting, UNCTAD prepared a number of background papers, inter alia on competition policy and trade and the environment.

(iv) Technical Assistance to WTO Acceding Countries

58. **Development context**. At UNCTAD IX, the international community recognized that the integration of developing countries and economies in transition into the international trading system was a means for them to maximize their benefits from the process of globalization and liberalization, and that the

major role of UNCTAD in the trade area was to promote and facilitate such integration. Accordingly, UNCTAD was formally assigned the specific task of assisting countries in the process of accession to the WTO. Accession to the WTO involves a considerably more complex and difficult process than that for accession to GATT in 1947. The WTO, multilateral trade agreements (MTAs) involve more stringent and detailed rules and disciplines covering trade in goods, but the scope of such rules and disciplines has been expanded to cover trade in services as well as the protection of intellectual property rights. Acceding countries are required to accept all the multilateral trade agreements, and these new rules and disciplines intrude further into areas traditionally perceived as domestic policy measures. In addition to bringing their trade regime into conformity with the multilateral disciplines, acceding countries are required to negotiate concessions on reduction and bindings of tariffs, specific commitments on agricultural subsidies, and commitments on trade in various services sectors. Moreover, the attitude of the major trading countries vis-à-vis acceding countries has become more demanding, thus effectively raising the "standard of accession".

59. **Objectives**. The major focus of UNCTAD's technical assistance on WTO accession is (a) capacity-building of acceding countries in trade policy formulation, including training of trade officials, (b) identification and treatment of the most difficult issues in the accession negotiations, (c) identification of optimal scenarios for a WTO accession with the aim of achieving balanced terms of accession, (d) the analysis of the respective trade policies of the acceding country's major trading partners, and (e) preparation of all necessary documentation for the accession negotiations, such as a memorandum on the foreign trade regime and replies to questions from the WTO members.

60. **Features**. UNCTAD technical assistance activities can be grouped into three categories: (i) preparation of background and assessment studies; (ii) consultancy and advisory missions by UNCTAD staff and international experts on specific issues, including preparation of the memorandum on the foreign trade regime and replies to questions raised by the WTO Working Party members; and (iii) capacity-building for national trade experts and trade officials, in the form of individual or group training activities. Country-level technical assistance is provided at the request of Governments.

61. **Output/results/impact**. The following paragraphs describe the achievements of the main projects implemented in 1996:

Belarus: The project provided assistance at the ministerial level in elaborating optimal approaches to the WTO accession process, in drafting the related memorandum on the foreign trade regime, in introducing relevant national officials to the initial phases of accession negotiations through discussions and the preparation of studies on the status and policies of the United States and the European Union in the context of Belarus' accession negotiations, in establishing the compliance of Belarus legislation with WTO, and in providing material on the WTO Agreements. The studies and consultations in pursuit of the project's objectives have enhanced national officials' understanding of the WTO accession processes.

China: Project implementation proceeded through the organization of training activities, particularly in relation to trade laws, WTO rules and sectoral issues such as textiles, services and trade statistics. Study tours by Chinese trade officials and trade policy advisers to the Republic of Korea, Japan and Thailand on issues such as agricultural trade reform, administration of tariff rate quotas, rules of origin, state trading and trade-related investment measures were another feature of the training process. In addition to the preparation of specific studies and reports, advisory missions by UNCTAD experts on technicalities involved in the multilateral trading system were undertaken. In terms particularly of the development of the human resource

base for the national drive toward China's integration into the international trading system, the project made a significant contribution in 1996.

Lithuania: Project activities in 1996 consisted of a two-week in-house training programme for government officials at UNCTAD headquarters, two seminars/workshops for the purpose of reviewing national issues of relevance to the WTO Working Party on Accession, preparation of a study on agriculture and of a study on the foreign trade regime of the United States as the main negotiating partner in the WTO, acquisition of relevant documentation for the Government, and the provision of translation services during WTO working parties. The government has expressed its satisfaction with the support extended by UNCTAD through the project.

Russian Federation: The project's main activities in 1996 were the preparation of an analytical report on the WTO disciplines regarding state trading enterprises, the preparation of a full Russian translation of the WTO Agreements and other products of the Uruguay Round, the preparation of inputs toward the conversion of the UNCTAD data base on services for Russian-speaking users, the induction of a national consultant in the area of agriculture into the accession process, the training of a Russian official on the WTO "contingency" protection agreements, the procurement of computer equipment for the Government, and the diffusion of trade policy information in the context of preparatory work on Russian initial offers on goods and services. Given the fluidity of the project's work plan, which results from exigencies of the accession process, the above-mentioned activities can be said to have fully met the project's objectives for the reporting period.

Arab States, regional: The major part of project work during 1996 was a series of advisory missions on accession to the WTO (covering Algeria, Jordan, Sudan and Yemen), regional consultative exercises in the form of an Arab expert group meeting on the implications of the Uruguay Round and a "brainstorming" meeting of Arab countries in preparation for the first WTO Ministerial Conference, and the preparation of studies in connection with accession negotiations to the WTO. Judging by the progress observed, particularly in the consultative process indicated above, the project has increased the awareness and the negotiating capacity of Arab countries concerning the challenges of the new international trade and economic environment arising from the outcome of the Uruguay Round, new trading opportunities and the urgent need for capacity-building to assist them in their efforts to fully integrate into the international trading system.

(v) Trade in Services (CAPAS Programme)

62. **Development context**. There is a growing understanding about the contribution of both services and trade in services to the economic growth and development process of developing countries. Among Africa's decision-makers, the adoption of the General Agreement on Trade in Services following the Uruguay Round, the inclusion of services in the Lomé Convention, as well as the implementation of structural adjustment and recovery programmes in a large number of countries have all served to draw attention to the stakes associated with this sector. Likewise, there is a growing understanding among African decision-makers about the need to reform their domestic service policies in line with regional integration and multilateral market access liberalization objectives.

63. **Objectives**. CAPAS, or the Coordinated African Programme of Assistance in Services, is a capacity-building programme of technical assistance. It currently involves 14 African countries (Benin, Burkina Faso, Burundi, Ghana, Guinea, Kenya, Madagascar, Namibia, Nigeria, Senegal, Uganda, United Republic of Tanzania, Zambia and Zimbabwe). Its main goal is to develop endogenous policy-making capacity at the country level in areas of domestic service sector policy, regional integration services, and multilateral negotiations on trade in services, the ultimate objective being to enable African Governments to

respond to the new environment for the services sector created as a result of the Uruguay Round Agreements, and more particularly the General Agreement on Trade in Services (GATS).

64. **Features**. The main targets of the CAPAS project are African trade ministries, line ministries dealing with services, private sector organizations, and the national consulting and research community. CAPAS is structured so as to promote a public policy-making process that relies in part on consultations with and inputs from non-government actors (principally the private sector and the consulting and research community).

65. CAPAS is currently in its third phase. CAPAS I focused on the preparation of national studies on services by national research teams. The national studies were designed to be stock-taking assessments of resources, bottlenecks, needs, current achievements and potentials in the service sectors of each country. CAPAS II focused on selected strategic service sectors and with a view to seeking to confront squarely the link at the country level between strengthening domestic and export capacity in those sectors and (i) domestic service reform, (ii) regional integration policy, and (iii) the formulation of market opening policies in the context of the new multilateral trading system for services - developed as part of the Uruguay Round negotiations. CAPAS in its new phase will seek to implement the project of national capacity-building in new countries and provide analytical assistance in preparation of the new round of negotiations in services.

66. **Output/results/impact**. Under CAPAS, participating countries have been able to build bridges between trade ministries and private sector organizations where often few such linkages existed. Likewise, through the national research teams, the programme has helped strengthen the linkage between academia and government policy-makers. On the other hand, the inter-institutional working groups and the sectoral studies have been a means to strengthen coordination among line ministries - a paramount issue in the formulation of solid trade policy.

67. In practice, this means that CAPAS assisted policy-makers and negotiators in taking informed positions within the national and the WTO contexts and in developing an appropriate legal and regulatory framework conducive to the development of a competitive service sector. African governments from participating countries have been able to use what they have learned through CAPAS to prepare their "Schedules of Specific Commitments" that each party to the General Agreement on Trade in Services (GATS) must prepare for its service sector.

b. Trade Analysis and Information System (TRAINS)

68. **Development context**. Following a decision by the Trade and Development Board, which called on the UNCTAD secretariat to provide, on request, information from its Database on Trade Control Measures under its own responsibility, UNCTAD developed "TRAINS" (Trade Analysis and Information System) and its corresponding dissemination tool, the TRAINS CD-Rom.

69. **Objectives**. TRAINS is an information system, the global aim of which is to increase transparency in international trading conditions. It is intended more specifically for use by policy-makers and economic operators engaged in exporting, providing them with a comprehensive information system. It is also a powerful tool both for trade negotiations (e.g. for monitoring an integration process) and for general research on international trade. A component of the system relates to the generalized system of preferences (GSP) to the extent that it includes information on available tariffs, preferential margins, rules of origin and other regulations affecting the export interests of developing countries vis-à-vis preference-giving countries.

70. **Features**. The TRAINS CD-Rom can be compared to a specialized library with books on trade-related topics, currently containing:

- 86 volumes of recent tariff schedules, 28 of which are for 1996;
- 58 volumes with para-tariff measures;
- 48 publications on non-tariff measures, produced by UNCTAD;
- several hundred schedules with historical data on tariff and non-tariff measures; and several hundred volumes on detailed import statistics by origin for 54 reporting countries; some of which for the six successive years of the period 1990-1995.

71. The software that accompanies the information on the CD-Rom is designed to render compatible the presentation and analysis of several databases. It enables the user to carry out searching and sorting of data, as well as to do comparative data analysis in an effective manner not possible in a conventional library. For each of the more than 5,000 basic items of the current international trade classification, as well as for any aggregate thereof, it allows for a cross-country comparison of basic indicators on the import regime, such as tariff averages and the incidence of non-tariff measures; likewise, it allows the same comparison to be made of import values. Some significant aspects of the recent development of TRAINS have been the integration of the "SMART" (System for Market Analysis and Restrictions on Trade) module into it in collaboration with the World Bank, the development of a subsystem (TRAINS for the Americas) in collaboration with the Inter-American Development Bank for extension of the database with information on bilateral preferential trade agreements, as well as on rules of origin for the Western Hemisphere, collaboration with the OECD on a project on indicators of government assistance, and collaboration with the UN Statistical Division on more detailed trade data.

72. For dissemination purposes, UNCTAD has invited member States and regional institutions to designate TRAINS focal points which, in addition to being supplied with updated information on trade control measures, also serve as a channel through which UNCTAD obtains recent information on countries or regions, particularly computerized information on tariffs and trade, as well as documentation on para-tariff and non-tariff measures. Among the regional secretariats actively collaborating with UNCTAD may be mentioned those of ALADI, SAARC, SIECA and UDEAC. The TRAINS CD-Rom is available to other parties that make a minimum contribution to the UNCTAD trust fund created for this purpose.

73. **Outputs/results/impact**. The widespread use of the UNCTAD Database, particularly in publications from such organizations as OECD, the World Bank and the IMF, as well as UNCTAD itself, attests to the recognition of its usefulness. In addition, the TRAINS information system is widely used in ministries of trade and national export promotion offices. That a number of universities and private organizations have made voluntary contributions to the TRAINS trust fund is a good indication of the value of the system. Citations from reports of the OECD, APEC, SAARC and FTTA as to the usefulness of the TRAINS Database confirm the eminent place of the TRAINS software and its Database on Trade Control Measures as tools for analysis and international discussion on market access conditions and trade barriers.

c. Preferential arrangements

(i) GSP and other trade Laws

74. Development context. The conclusion of the Uruguay Round and the creation of the WTO resulted in the reduction of MFN rates and changes in GSP rates and schemes, as well as the creation of a new set of rules having a bearing not only on the technical utilization of the GSP by developing countries, but also on the operation and implementation of other trade laws regulating market-access conditions in preference-giving countries. Other forms of

preferential arrangements such as bilateral free-trade-area agreements with relevant rules of origin regulations have also played an important role in shaping the international environment in which these countries operate.

75. These developments have not obviated the need for GSP. While in certain sectors protection has been reduced or even removed, substantial duties still remain in force in important export sectors of developing countries. Furthermore, many low- and middle-income developing countries have not yet achieved a sufficiently high level of export development and diversification for a real take-off, so that GSP remains important for traditional and non-traditional export sectors alike. This is particularly the case for LDCs.

76. **Objectives**. The programme aims at contributing to the expansion and diversification of exports from developing countries, increasing GSP utilisation and providing government officials and those in the private sector with a better understanding of trade laws, such as anti-dumping duties, quotas, rules of origin, etc, governing market access conditions in major preference-giving countries.

77. **Features**. Technical cooperation activities are directed at providing recipient countries with the expertise necessary to resolve difficulties encountered in GSP utilization and, more broadly, with information on conditions relating to market access both in the GSP and non-preferential contexts, and in particular on: the tariffication of former non-tariff measures in agriculture, and its impact on GSP schemes, the functioning of the Agreement on Textiles and Clothing (ATC) and the technicalities of rules of origin.

78. **Output/results**. In 1996 activities included the following:

- Advisory missions on GSP and other trade laws were conducted in Zimbabwe and South Africa. In Zimbabwe, the advisory mission was aimed at strengthening national GSP focal points and at organizing training activities for government officials and the business community. In South Africa, assistance was provided in the selection of a methodology for the quantitative assessment of the impact of the proposed EU-South Africa free trade area agreement, and in the preliminary phases of the study utilizing the SMART methodology.

- The GSP programme participated in the meetings of the Technical Committee of the World Customs Organization for the elaboration of multilateral rules of origin, contributing its expertise regarding preferential rules of origin by submitting a "Compendium of the work and analysis conducted by UNCTAD working groups and sessional committees on GSP rules of origin.".

79. Publications of the GSP programme in 1996 also included the "Handbook on the Trade Laws of the United States of America". During the period under review, activities were started for the publication of the "Handbook on Trade Laws of Japan" (published in February 1997), as well as the revision of the "Handbooks on Trade Laws of the European Union", and handbooks on the schemes of the European Union, the United States, Canada, Japan and Switzerland (forthcoming). The publication of information notes on amendments of GSP schemes was continued.

80. These activities are expected to increase utilization of the GSP schemes, as well as total exports towards preference-giving countries. As a result of a better understanding of, and information on, the GSP schemes and other trade laws regulating market access conditions in preference-giving countries, private exporters and government officials are in a better position to exploit the opportunities provided by the GSP in the context of the new trading rules following the Uruguay Round.

(ii) The Global System of Trade Preferences among Developing Countries (GSTP)

81. **Development context**. After a long process of negotiations within the Group of 77, the GSTP was established as a framework for the exchange of trade preferences among developing countries in order to promote trade among these countries. Since its entry into force in 1989, 43 countries (of which seven LDCs) have ratified the Agreement and have become participants. The second round of GSTP negotiations was launched in Teheran in November 1991 with the aim of facilitating the process of accession and carrying forward the exchange of trade concessions. Four negotiating groups were established covering the areas of facilitation of accession, product-by-product negotiations, across-the-board tariff negotiations, direct trade measures and non-tariff and sectoral agreements.

82. The **objective** of the UNCTAD GSTP project is to support and facilitate these processes.

83. **Output/results/impact**. In the course of 1996, technical support was provided for the implementation of the GSTP preferential concessions. Support activities were related to servicing meetings of the GSTP bodies. Background notes were provided to developing countries interested in participating in the GSTP. Clarifications and information were also provided to delegations and experts from capitals attending various trade meetings in Geneva. Technical assistance was extended to developing countries participating in the second round of GSTP negotiations. Supportive activities covered the areas of product-by-product negotiations, linear tariff reduction negotiations, and direct trade measures, including long- and medium-term contracts.

84. Eight developing countries have applied for accession, namely Colombia, Equatorial Guinea, Kenya, Morocco, Myanmar, Uruguay, Venezuela and Zambia. Arrangements were made by the GSTP Project to facilitate the process of accession through simplified consultations and negotiations. The Committee of Participants decided, in May-June 1996, to accept the accession of Colombia, Morocco, Myanmar and Venezuela on the basis of offers submitted by them and the terms set out in four protocols prepared with the assistance of the GSTP Project. Morocco, Myanmar and Colombia signed their relevant protocols for accession, which entered into force in 1997. The time limit for acceptance of Venezuela's protocol was extended to 31 December 1997.

85. Support for the accession of least developed countries (Myanmar, Equatorial Guinea and Zambia) received special attention from the Project. Support activities were also undertaken in connection with the application for accession to the GSTP by MERCOSUR, which communicated to the Committee of Participants its intention to accede to the GSTP Agreement as a subregional grouping and presented its offer lists.

86. In the area of product-by-product negotiations, after three sessions of bilateral consultations, participating countries moved forward to the negotiation phase and held five sessions of bilateral negotiations. Offers were presented to partner countries and progress was made with regard to the exchange of trade concessions.

87. **Activities**. Activities continued in the area of across-the-board tariff negotiations, and some progress was made.

88. Negotiations proceeded also in the area of direct trade measures, including long- and medium-term contracts. However, progress has so far been slow because of the complexity of the issues involved in this area.

89. The technical cooperation activities in 1996 required the organization of nearly 450 bilateral negotiating meetings. The participation of capital-based experts in these meetings enhanced the negotiation process. The smooth

operation of the GSTP and the effective implementation of the Agreement have been commended by the developing countries on various occasions.

(iii) Trade Relations and Economic Cooperation in the Mediterranean Region

90. **Development Context**. The implementation of the Uruguay Round Agreements and the reorientation of European Union (EU) trade policy towards third countries has resulted in drastic changes in market access and trade relations for the developing countries of the Mediterranean region. The Barcelona Declaration of October 1995 envisages the establishment of a Euro-Mediterranean Free Trade Zone by the year 2010, involving bilateral association agreements between the EU and individual Mediterranean countries, to be followed by closer ties among the Mediterranean countries. These developments confront the region with a significant shift in the trade policy of their main trading partner, from non-reciprocal to reciprocal market access. The establishment of the Association Agreements will also involve areas beyond trade in goods, including the adaptation of trade-related policies, especially as regards intellectual property rights, competition law, customs cooperation, standards,etc.

91. **Objectives**. The forthcoming agreement represents a formidable challenge for the economies of the countries involved. The objective of the project is to support the Mediterranean countries' efforts to meet this challenge by assisting in the negotiation and implementation of the Agreements, and to lay the groundwork for the second phase of the Barcelona programme.

92. **Features**. In order to achieve its objectives, the project activities include two main features:

- Providing support to policy-makers, both during the negotiations and during implementation, on selected topics such as: preferential market access provided by the EU to each Mediterranean country and territory for agricultural goods, including in comparison to EU concessions in WTO, alternatives for liberalization of the industrial sector, provisions regarding intellectual property rights, competition law, liberalization in services, customs cooperation, environmental and technical standards, etc.

- Familiarizing the business community with the coverage and depth of the tariff cuts and other preferential market access provisions, including information on rules of origin regulation and administrative requirements to obtain such benefits, as well as with the necessary procedures to obtain financing under the MEDA funds.

93. **Output/results**. During the period under review, project activities included the following:

- At the request of interested Mediterranean Governments, the project carried out advisory missions and workshops to build negotiating capacity and assist in evaluating the implications of implementing specific provisions of the Association Agreements.

- Workshops were organized in Jordan and Egypt, and advisory missions were conducted in Algeria, Jordan, the Syrian Arab Republic, the West Bank and Gaza Strip, both to prepare for and to follow-up on the workshops and to provide specific advice on selected aspects of the Agreements.

94. Based on the experience of these workshops and advisory missions, the project contributed to other important meetings held in the Arab and European regions, providing inputs for the participation of the Deputy Secretary-General of UNCTAD in the Cairo Summit (November 1996).

95. In the period under review, the publication of a series of studies, hand-books and hand-outs was started and is now ongoing. The series covers:

- Access to EU markets for agricultural products after the Uruguay Round and export interest of Mediterranean countries;
- Market access for exports from Mediterranean countries and territories into the European Union markets: A handbook for exporters (Part A: Algeria, Egypt, Jordan and the Syrian Arab Republic);
- Market access for exports from Mediterranean countries and territories into the European Union markets: A handbook for exporters (Part B: Morocco and Tunisia);
- Market access for exports from Mediterranean countries and territories into the European Union markets: A handbook for exporters (Part C: The West Bank and Gaza Strip (forthcoming));
- The MEDA Regulation: A handbook for small and medium enterprises (forthcoming);
- Issues of intellectual property rights protection in the Euro-Mediterranean Agreements (forthcoming);
- Issues of competition law in the Euro-Mediterranean Agreements (forthcoming).

96. Overall, the activities have contributed to addressing the issues which may have a fundamental bearing on the future of the EU/Mediterranean countries, which include:

- **Trade liberalization for EU industrial products**, which has to be phased in over a period of 12 years. The effective rate of protection was found by the project to be one of the possible methods Mediterranean countries could utilize to carry out the analysis of the implications of the trade policy choices to be made. An ad hoc project financed by UNDP under the regional project RAB/96/001 will address this issue in the context of the EU-Egypt Association Agreement.
- **Rules of origin**: the agreements contain very detailed protocols on rules of origin with specific provisions concerning diagonal cumulation in order to promote intra-regional trade in the Mediterranean region and to facilitate economies of scale. Several Mediterranean countries were, however, concerned about the stringency and implications of the rules of origin. During advisory missions and workshops, the project aimed at familiarizing negotiators and private entrepreneurs with these rules. Suggestions were made on possibilities for sourcing intermediate products in the region.
- **Agricultural exports** are of particular interest to the Mediterranean countries and the project was able to advise government officials on pre- and post-Uruguay Round MFN market access conditions for products of export interest to them. A comparison was then made with the trade concessions granted by the EU under the old cooperation agreements and those contained in the new association agreements. This activity allowed government officials and private businessmen to better assess the status of EU market access conditions.
- **Competition law, IPRs and trade liberalization on services**: the project discussed with negotiators the close link between these aspects and the corresponding Uruguay Round Agreements on Services and IPRs, while on competition law, reference was made to the practices and

regulations contained in the EC Treaty which are partially reflected in the Euro-Mediterranean Agreements.

2. Commodities

a. Commodity Marketing and Risk Management

97. **Objectives**. Technical cooperation in the area of commodity marketing, risk management and finance has as its main objective the improvement of the use made of modern marketing and financing possibilities in commodity trade; this not only allows important cost savings, it also allows more efficient planning and management for Governments, parastatals and private sector entities.

98. **Features**. The programme features the publication of analytical studies and manuals, policy advice, awareness-raising activities and training.

99. **Outputs/results**. The largest activity in 1996 area was the First African Oil Trade Conference, held in Harare, Zimbabwe, from 15 to 17 April. This Conference (organized with the Eastern and Southern African Trade and Development Bank, and with support from the Netherlands and considerable private sector sponsorship) attracted some 120 participants from over 20 African countries, mostly high-level decision-makers from the African oil and finance sectors. The Conference was deemed very successful by participants, and developments since make clear that this Conference has put in motion an important process of change. Since the April 1996 conference, UNCTAD has received requests from 18 countries (mostly importing countries, including many LDCs) to assist in the identification of oil price risks and the development of improved marketing, risk management and finance strategies for oil. A mission was organized to Burkina Faso in 1996, financed by the Burkina Faso Government. It was also possible to organize a highly successful second African Oil Conference in April 1997 (with over 170 participants from more than 30 African countries), entirely funded by private sector sponsorship; it has been decided to make this into an annual event.

100. Two manuals were published: "Price Risk Management in the Fuels Sector - a Manual" (UNCTAD/COM/Misc.100), and "Price Risk Management in the Metals Sector - a Manual" (UNCTAD/COM/Misc.101). These manuals have been well received (e.g. the Petroleum Argus, the main publication in the oil and energy sector, described the fuels manual as "one of the best guides on derivatives"), and, with heavy demand from the private sector in developing as well as developed countries, have been distributed widely. Furthermore, a study on sub-Saharan Africa's oil sector was published (UNCTAD/COM/89); this study was considered sufficiently important for Marchés tropicaux et méditerranéens to devote six pages to a summary. Finally, a paper was published on "collateralized commodity financing, with special reference to the use of warehouse receipts" (UNCTAD/COM/84). This paper, one of the very few publications on the important area of collateralized commodity finance, has been in heavy demand from the private sector, and has been instrumental in helping some commodity companies to develop new forms of trade and finance.

101. A manual on "Company control and management structures - the basic requirements for a sound use of market-based risk management instruments" (UNCTAD/ITCD/COM/Misc.1) was published. This manual, which received much publicity in the press, has been in heavy demand; after the derivatives fiascos of Metallgesellschaft, Barings, Sumitomo and others, the awareness of the need to set up proper structures before beginning to use derivatives has increased drastically, and this manual filled an obvious gap.

102. Support was provided to the development of new commodity exchanges - a very important issue in many countries, as Governments are withdrawing from their agricultural marketing and price-setting roles and there is a need for new marketing and price discovery mechanisms. The World Bank financed UNCTAD's

work on commodity exchange development in India; the Indian Government has since modified some of its regulations, and has decided to allow new futures contracts in a number of commodities. FAO and the World Bank funded similar involvement by UNCTAD in Turkey. In the Dominican Republic, the Board of Agro-Industrial Enterprises paid for an UNCTAD exploratory mission to its country to formulate a plan for the development of a commodity exchange. The Pan-American Association of Commodity Exchanges covered the costs of an UNCTAD mission to its fourth Annual Meeting to present UNCTAD's experience with commodity exchange development.

103. Other technical cooperation activities during this year included the provision of information and analysis on recent changes in sugar policies and marketing practices at the annual meeting of the World Association of Beet and Cane Growers (which paid for the related travel costs), as well as at a meeting of ministers of ACP countries on sugar policies. Training on modern commodity marketing and risk management methods was given in Kuala Lumpur (paid for by the Kuala Lumpur Commodity Exchange) and Fiji (for Pacific islands - this was part of the TRAINFORTRADE programme). Support for the development of a new international pepper futures contract continued during 1996.

b. Natural resources

Mineral resources, participatory development and social impacts of mining

104. **Development context**. Mineral resources can generate substantial benefits for the countries in which they are located. However, mineral wealth also raises problematic issues for sustainable development. Mining can entail disruptions to the traditional production activities, the life style and the culture of local populations. It may induce population movements and increased demands on other scarce natural resources, such as energy and water. Moreover, individual mineral deposits are finite: when exploitation ceases, local communities are forced to find alternative occupations and livelihoods, and this in turn can lead to further social dislocation and increased pressure on the natural environment. These problems tend to become exacerbated in a developing country context where the institutions, techniques and skills needed to deal with them may be lacking or deficient. There is a need to devise new strategies that allow these problems to be solved or, preferably, prevent them from occurring in the first place.

105. The **objective** of UNCTAD activities in the context of participatory development and social impacts of mining is to assist developing country Governments in developing policies that ensure that the interests of local communities are taken into account at an early stage of project development and that solutions acceptable to all the stakeholders are arrived at. This necessitates an integrated approach to the planning and management of land resources, responding to the objectives set out in Chapter 10 of Agenda 21. Such an approach makes possible the exploration of alternative development paths for regions affected by the exploitation of natural resources with the participation of all stakeholders, including in particular the local communities.

106. **Features/outputs/results**. UNCTAD has developed a model framework to assist in the identification, analysis and management of long-term mineral resource issues. This framework will be applied in individual developing countries with the support of national and regional institutions, together with training on tools, techniques and methodologies to support a cooperative approach to sustainable development involving all the stakeholders and including local communities. The model framework consists of a geomanagement system and an economic/ecological model. A first pilot project has been initiated in South Africa, where UNCTAD is cooperating with the Government of the Northern Cape Province in exploring development alternatives for the Namaqualand region.

107. Together with the Ministry of Mines and Energy of Indonesia, the Mining and Environment Institute of Queen's University in Canada and the East-West Centre, UNCTAD also organized a workshop on the social impacts of mining in Bandung, Indonesia, in September 1996. The workshop proceedings will be published during 1997. Similar workshops may be organized in the future.

c. International Trade in Metal Waste and Scrap

108. **Objectives**. The project, which was launched in 1995, was replenished by several donors in 1996 and thus continued with the same twofold objectives: (i) commodity-specific reviews of international trade in secondary material (recoverable waste, scrap, residues); and (ii) further improvement of UNCTAD's data base on transboundary movements of secondary material.

109. **Output/results/impact**. Three studies on the extent and patterns of international trade in recoverable materials were published in 1996 on the basis of the statistical groundwork for improving UNCTAD's unique data base on international trade in secondary material:

- Parts II and III of the study on international trade in metal scrap and residues (part II on slag, dross, scalings and other waste from iron- and steelmaking, as well as non-ferrous metal-bearing ash and residues; part III on scrap of non-ferrous metals and alloys), published jointly by the UNCTAD secretariat and the International Council on Metals and the Environment;

- A review of international trade in tyre and tyre-related rubber waste for the period 1990-1994, published jointly by the UNCTAD secretariat and the US Scrap Tire Management Council.

110. These studies were circulated at various meetings of the Technical Working Group of the Basel Convention on Transboundary Movements of Hazardous Wastes and Their Disposal at the request of the Chairman of the Group. They were aimed at facilitating intergovernmental discussions on the establishment of lists of hazardous and non-hazardous wastes. The studies were also presented at several international seminars on recycling and recuperation, organized by ECE in Hungary, the Malaysian Iron and Steel Industry Federation in Malaysia, the International Copper Study Group in Belgium and the International Council of Metals and the Environment in Sweden.

111. The statistical work and the studies also facilitated the analytical work of the UNCTAD secretariat on positive measures in the context of multilateral environmental agreements. UNCTAD's data base on international trade in secondary material is unique and thus often used by other international organizations, Governments and industry associations. Upon request, information was provided to UNEP, OECD, the Governments of Canada and Australia, the US Chamber of Commerce, the Liaison Office of the EU Rubber Industry (BLIC), the Malaysian Iron and Steel Industry Federation, and a number of academic institutions. UNCTAD provided specific inputs to documents on the Basel Convention produced by OECD and UNEP.

3. Trade, Environment and Development

112. **Development context**. Agenda 21 has recognized that trade, in conjunction with sound macroeconomic and environmental policies, as well as appropriate management of the natural resource base, can make an important contribution to sustainable development. It stresses the need to make trade and environmental policies mutually supportive through appropriate actions at the national and multilateral levels. This requires the attention of policy-makers, the business community, academic institutions, non-governmental organizations and others. UNCTAD IX has requested UNCTAD to continue to play a special role in this field, including through technical cooperation.

113. The main **objectives** of UNCTAD's technical cooperation programme on trade, environment, and development are the following:

- Assist in increasing awareness and understanding of the complex linkages between trade, environment and development and support a dialogue between trade, environmental and developmental communities;

- Enhance the capacity of the public and private sectors of developing countries to address, in a participatory framework, trade and sustainable development issues;

- Support the effective participation of developing countries in deliberations in the relevant international forums; and

- Contribute to the design and implementation of economic policies and measures to ensure that developing countries obtain economic benefits from the full use of the Convention on Biological Resources.

114. **Features**. Activities are closely linked with the intergovernmental work programme, as well as with the secretariat's own research. Activities consist of policy-oriented studies, workshops and seminars, the identification, compilation and analysis of statistical information, and training/capacity-building seminars, carried out in close cooperation with UNDP, UNEP, WTO, ITC and other organizations, as well as with representatives of civil society, including research institutes and non-governmental organizations. A training package on trade, environment and development, which was developed in cooperation with the TRAINFORTRADE programme, is currently being revised and updated. High priority is being given to technical assistance activities for the least developed countries. Thus, in preparation for the special session of the General Assembly in June 1997, the Office of the Special Coordinator for Africa and the Least Developed Countries (OSCAL) of the Department for Policy Coordination and Sustainable Development (DPCSD) and UNCTAD held an expert meeting for the purpose of evaluating the implementation of special measures in favour of LDCs in Agenda 21 (New York, 3-4 April 1997), for which UNCTAD prepared a paper on trade and environment. The pilot phase of the BIOTRADE Initiative is currently being developed with a view to initiating activities on economic and market research, data dissemination and networking.

115. **Output/results**. Research institutes in several developing countries have been undertaking analyses of country-specific experiences regarding the interlinkages between trade and environment with a view to better understanding this complex issue. Such country case studies were completed or are near completion for Cameroon, Chile, Costa Rica, Indonesia, Malaysia, the Russian Federation, Thailand and Uganda.

116. Studies on issues such as the responses to environmental requirements by small and medium-sized firms, agricultural trade liberalization and the environment, and green consumerism have also been completed (for Colombia and India), or are currently in progress.

117. In order to examine the contribution of different policy instruments, including both trade measures and positive measures, to achieving the environmental objectives of multilateral environmental agreements (MEAs), a series of research studies are being undertaken. To this end the experience of selected developing countries (India, Indonesia, Republic of Korea and South Africa) with regard to specific MEAs (the Montreal Protocol, the Basel Convention and the Convention on International Trade in Endangered Species) are being analysed. A separate synthesis review of the use and effectiveness of trade measures in MEAs was carried out.

118. Trade and environment linkages of interest to Arab countries were discussed, among other issues, in a group of Arab experts meeting on the implications of the Uruguay Round, particularly in the fields of

petrochemicals, environment and services (Bahrain, 16-18 March 1996) and by a conference on the Gulf Co-operation Council's "external trade relations with regard to the World Trade Organization" (Bahrain, 19-20 March 1996).

119. UNCTAD also provided support for a number of national and regional seminars on trade and environment in the Asia-Pacific region. Thus, a paper on "Environmental Policy, Market Acces and International Competitiveness: An Asian Perspective" was presented at the Asia Conference on Trade and Environment, Singapore, 27-29 June 1996 and published in *Asian Dragons and Green Trade*. A paper on "Environmental standards and market access issues" was presented at a National Seminar on Trade and Environment, Seoul, 3-5 September 1996, and was published subsequently. An ESCAP/UNCTAD publication, "Enhancing trade and environment linkages in selected environmentally vulnerable export-oriented sectors in the ESCAP region", issued as Vol. 21 of the ESCAP studies on trade and investment, brings together papers presented at a seminar in Bangkok on 31 July and 1 August 1996. Four research studies on policies for natural resource-based foreign exchange earning activities were presented at the Subregional Workshop on Environmental Management of the Natural-Resource-based Sector (Hanoi, 25-28 September 1996). The workshop was organized by UNCTAD in cooperation with the Research Institute for Aquaculture (RIA) and focused on fisheries and tourism in countries of the Asia-Pacific region.

120. Two books containing results of earlier seminars were published: *Trade, Environment and Sustainable Development: A South Asian Perspective*, by Veena Jha, Grant Hewison and Maree Underhill, and *Eco-labelling and International Trade* by Simonnetta Zarrilli, Veena Jha and René Vossenaar.

121. **Impact**. The results of the above have provided important inputs to policy analysis and debate, conceptual work, the building of consensus among member States on the interaction between environmental and trade policies, the dissemination of information to policy-makers and capacity-building.

122. Such studies are also playing a catalytic role in stimulating further policy-oriented research on trade, environment and sustainable development in developing countries. For example, building on the UNCTAD/UNDP project, new projects have recently been designed and implemented by the secretariat of ASEAN and ESCAP.

123. Technical assistance activities have also contributed to awareness-building and a better understanding of trade and environment linkages, as well as to the effective participation of developing countries in multilateral deliberations on trade and environment. In particular, both intergovernmental deliberations as well as background papers prepared by the secretariat have provided inputs to deliberations at the WTO, OECD and other forums. Future work, while continuing to provide information and inputs to intergovernmental deliberations at other fora, will also attempt to develop an agenda for integrating trade, environment and development concerns particularly by examining proposals which will develop and operationalise the use of positive measures and approaches.

4. Competition Law and Policy and Consumer Protection

124. **Development context**. Strengthened competition enhances overall economic efficiency and significantly improves prospects for sustained economic growth and development. The worldwide implementation of fundamental market-oriented economic reforms has unleashed considerable competitive forces, which play a key role in ensuring the success of the reforms and need to be supported by the appropriate rules of the game. However, despite a general widespread trend towards the adoption, reformulation or better implementation of competition laws and policies in developing countries and economies in transition, many of these countries still do not have up-to-date competition legislation and policies or do not apply them with full effectiveness and request technical assistance in this area. At UNCTAD IX, UNCTAD was given the mandate to enhance

technical co-operation in this area by "promoting national competition and consumer protection law and policy formulation".

125. **Objectives**. The programme aims at assisting countries in formulating or reviewing competition policies and legislations, at contributing to the building of national institutional capacity in this area and at providing government officials and private entrepreneurs with a better understanding of competition laws and policies.

126. **Features**. Assistance is provided in accordance with requests received, needs of countries concerned and resources available. The main types of technical cooperation activities can be described as follows:

- Provision of information about restrictive business practices (RBPs), their existence and possible adverse effects on the economy. This may involve a study on restrictive business practices in a specific country;

- Introductory seminars directed at a wide audience, including government officials and academics, as well as business and consumer-oriented circles;

- Assistance to countries which are in the process of drafting competition legislation in the form of provision of information on such legislation in other countries or advice as to drafting their competition legislation;

- Advisory services for the setting-up of a competition authority; this usually includes training of officials responsible for the actual control of RBPs and may involve training workshops and/or on-the-job training with competition authorities in countries having experience in the field of competition;

- Organization of seminars for countries which have already adopted competition legislation, have experience in the control of RBPs and wish to consult each other on specific cases and exchange information;

- Assistance to countries which wish to revise their competition legislation and seek expert advice from competition authorities in other countries, so as to amend their laws in the most effective manner possible.

- Assistance in the area of creating a "competitive culture" and preparing developing countries, including the LDCs as well as economies in transition, for future multilateral negotiations in this area.

127. **Output and results**. In 1996, technical assistance related to the preparation of draft legislation was provided to Bolivia, Dominican Republic, Guatemala and Honduras. As a result these countries are completing the elaboration of national legislation. Advisory services were also arranged for Colombia to assist in the preparation of regulations for the implementation of the Competition Act and to Peru in the area of setting up regulatory authorities for privatized sectors. Two advisory missions related to assistance in the establishment of the national Competition Commission were undertaken in Zambia.

128. UNCTAD has also presented its comments on the draft legislation for the reform of the Antimonopoly Act of Chile, on the draft Egyptian law on protection of competition and prevention of monopolies, and on the draft competition and consumer protection legislation of Paraguay. At the same time, a project on support for the finalization of the initial application of Egypt's competition law has been elaborated with a view to providing support in the process of enacting competition legislation and establishing a competition

authority. Assistance in elaborating and adopting legislation and setting up the institutional framework for competition and consumer protection was provided to Mauritius.

129. Upon request of the Working Group on Competition Policy of the Free Trade Area of the Americas (ALCA), a detailed questionnaire was drafted on the needs of the ALCA member countries in the field of competition law and policy. Based on replies received, a full-fledged draft project document was prepared and submitted for the consideration of the ALCA Working Group. UNCTAD has prepared a regional project providing support to African countries in the formulation of national competition law and policy and consumer protection legislation, the establishment of competition and consumer protection authorities, and the strengthening of the negotiating skills of African officials for future multilateral negotiations related to the issues of competition.

130. National seminars on competition policy conducted with participation of representatives of Governments, the public and private sector, the donor community, academic circles, consumer associations, and competition experts, were organized in Cuba, Honduras and Malawi. These seminars made it possible to familiarize participants with specific issues of competition policy. Resource persons from UNCTAD also participated in a number of seminars, conferences and meetings on competition law and policy, including those organized with a view to contributing to the elaboration and coordination of the position of developing countries concerning the treatment of competition issues at the WTO Singapore Ministerial Conference, namely in the pre-Singapore ESCAP/UNCTAD/UNDP Meeting of Senior Officials in Jakarta, the Meeting on Competition Policy in Latin America and the Caribbean, organized in Caracas, and the ACP preparatory seminar convened in Brussels.

131. Despite the provision of assistance described above, the UNCTAD secretariat's activities have failed to keep pace with the considerable increase which has occurred in recent years in the requests and requirements relating to technical cooperation in the area of competition law and policy. A substantial increase in financial and human resources is needed in this area.

5. TRAINFORTRADE

132. **Development context**. The final document of UNCTAD IX makes various references to the importance of human resources development in technical cooperation. In the context of services infrastructure for development and trade efficiency, UNCTAD is requested to "continue to enhance the capacity of interested developing countries and economies in transition to trade efficiently through programmes such as TRAINFORTRADE".

133. **Objectives**. TRAINFORTRADE is designed to help develop human resources in developing countries in the field of trade and related services by:

- Analysing HRD and training needs and priorities;
- Strengthening selected training centres which are prepared to adopt a common approach, and developing a network of cooperation between training centres, in order to facilitate a permanent exchange of information, courses and teaching staff;
- Designing, producing and updating high-quality training packages which meet the needs of international trade officials and private and public sector executives.

134. **Features**. In 1996, TRAINFORTRADE activities focused on the analysis of HRD and training needs. Three HRD and training-needs analyses were carried out in a systematic manner at the subregional level in :

- Pacific Islands (Fiji, Papua New Guinea, Solomon Islands, Tonga)
- Southern Africa (Botswana, Lesotho, Mozambique, Namibia, Swaziland)
- West Africa (Benin, Burkina Faso, Côte d'Ivoire, Ghana, Guinea, Mali, Senegal, Sierra Leone)

135. Needs were classified taking into account the configuration of the trading system as represented by three target groups, according to the operating area of each group.

136. The following target groups were identified:

- *Persons in charge of international trade policies and strategies.* The target group at this level is mainly made up of senior and intermediate executives in the administration and ministries, as well as senior executives in chambers of commerce, central banks and commercial banks, research and consultancy offices, and other trade-supporting services. The main training needs here are: international commercial diplomacy and policy; regional integration; negotiation techniques; trade information and facilitation; Trade with the EU, NAFTA and Japan.

- *Managers and practitioners of trade-supporting structures and services.* This target group is made up of executive and managerial staff of trade-supporting services. The main training needs here are: trade financing and investment; trade operation and facilitation; trade information; the new multilateral trade framework.

- *International trade executives or practitioners in enterprises.* This target group is made up of enterprises and exporters' associations, where training should help to diversify exportable production and improve competitiveness. Operators should be trained in every way to improve their trade efficiency, to reduce financial risks and to access foreign markets, in particular the regional market. The main training needs here relate to: the new multilateral trade framework; trade operations and facilitation; trade financing and investment; trade information; trade with the EU, NAFTA and Japan.

137. Diploma training: Many countries have expressed the wish that, in addition to "in-service" training needs mentioned above, TRAINFORTRADE should introduce diploma courses. This type of training, which is longer and takes place on different levels, aims to offer enhanced skills in the mechanisms, rules and procedures of international trade, or the opportunity to acquire skills in a specialized area of negotiation, trade relations and policies or international trade.

138. Network development: The TRAINFORTRADE network, coordinated by the headquarters team in Geneva, is being developed in cooperation with the following training institutions:

- In South-East Asia - The University and the Malaysian Institute of Insurance at Kuala Lumpur in Malaysia;
- For the Pacific island countries - University of the South Pacific at Suva, Fiji;
- For the countries of the Maghreb - ESC, Tunis;
- For the Caribbean - ECSEDA in Dominica, for the countries of the EAIO.

139. In 1996, activities started in sub-Saharan Africa through the following institutions: COFEB and CESAG, Dakar; GIMPA, Accra; INE, Cotonou; CAMPC, Abijan.

140. Early in 1997, activities started in Morocco through two business schools in Casablanca. Arrangements are being made to associate training institutions from Abu Dhabi, Bahrein, Jordan and the Palestinian Territory.

141. Cooperation with "centres of excellence" has begun. The objective assigned to these centres is to develop new teaching packages using, in particular, up-to-date data-processing and telematic methods in order to provide distance training as required. The centres of excellence should also contribute to the training of trainers and help the headquarters team to ensure the quality of the training at all the centres in the network.

142. With this in view, the Ecole Supérieure de Commerce (Higher College of Commerce) at Grenoble has contributed to the preparation and delivery of a package on "Management of trade information". To the same end, contacts have been made with institutions in Canada, Spain, Switzerland, the United Kingdom and the United States with a view to inviting a group of centres of excellence to become members of the TRAINFORTRADE network.

143. **Output/results/impact**. To meet the training needs inventoried, the TRAINFORTRADE programme had developed the following training packages by the end of 1995:

Commodities:	Physical markets
	Risk management: forward and option markets
Trade policies:	National trade policies
	Trade and investment
	Competition policy (restrictive trade practices)
Trade with the European Single Market:	Cargo insurance

144. In 1996, the following packages were validated in French through a seminar for trade point managers which took place in Geneva in March 1996.

- Trade financing (3 days);
- Transport and logistics (2 days);
- Trade facilitation (2 days);
- Trade information (2 days);
- Trade point management (2 days).

145. A new package on the "New multilateral framework for international trade" (English, 10 days - 21 modules) was validated in Kuala Lumpur in August 1996 with a group of 20 trainers from Asia and the Pacific.

146. The French version was validated in Geneva in April 1997 with a group of 33 trainers. For this delivery, additional material on regional integration has been prepared. It will be available for dissemination by September 1997.

147. A course developers' workshop (in French) took place in Turin and Lyon in February 1995 with 22 participants from West Africa, the Maghreb countries and Romania.

148. During the reporting period, the following courses were delivered:

- ***Trade efficiency***. Training for trade point managers : a seminar for 22 participants took place in Geneva and Grenoble in March 1996.

- ***New Multilateral Trade Framework***. Five seminars for 120 participants took place in the Philippines in 1996 - one in April 1996 with the assistance of UNCTAD staff members and four as a follow-up to the training of trainers without external assistance. This training programme started to be implemented in the Philippines as part of several university curriculae. This is also the case at the Thamassat University in Thailand. In addition, one seminar took place for 18 participants in Fiji in May 1996.

- ***National trade policy***. One seminar took place in Angola for 30 participants in October 1996.

- ***Commodities trading***. One seminar took place in Fiji in May 1996 for 18 participants.

- ***Marine Cargo insurance***. One seminar for 21 participants took place in Fiji in October 1996.

149. A total of 75 trainers participated in TRAINFORTRADE activities and about 230 trade practitioners benefited directly from the TRAINFORTRADE programme during the period under review.

150. The training-of-trainers activities mentioned above for French-speaking areas were implemented in the context of institution-building projects lasting 2-3 years. A similar approach will be adopted for a number of English-speaking countries before the end of 1997. Presently, in the associated training institutions, course developers and course leaders are adapting the above training materials and preparing a series of local or subregional workshops and seminars which should be implemented on a large scale during the next two years. In this context, the training delivery capacity of the network should increase considerably in the near future.

B. Division on International Trade in Goods and Services, and Commodities

Country/Territory/ Region	Project Number		Short Title	Duration		Status in 1996	Type of project	Source of funds	Total Budget	Expenditures Cumulative	1996
1. Trade Analysis and Systemic Issues											
a. Development of Trade Capacities											
BELARUS	BYE/94/003		Support of Negotiations on Accession to GATT	1994	1997	ONGOING		UNDP	73	46	9
CHINA	CPR/91/543		Effective participation in the international trading system	1992	1997	ONGOING		UNDP	999	712	117
DOMINICAN REP.	DOM/94/002		Programa de evaluación del impacto de la Ronda Uruguay en el patron de desarrollo de la Republica Dominicana	1994	1996	OPC	Preparatory Assistance	UNDP	121	121	9
EGYPT	EGY/91/003		Strategy for developing the services sector of Egypt	1991		SUSPENDED at UNDP request, pending closure	Preparatory Assistance	UNDP	142	93	0
	EGY/92/A36		Trade and Economic Co-operation between Egypt and selected Central and East European Countries	1994	1997	ONGOING		EGYPT	77	54	-1
LITHUANIA	LIT/93/Q02	*	WTO accession support	1996	1997	ONGOING	IALA/UNDP	UNDP	40	16	16
RUSSIAN FEDERATION	RUS/93/001		Support in the accession to WTO	1993	1998	ONGOING		UNDP	461	335	105
SYRIAN ARAB REP.	SYR/92/007	*	Support to Trade Policy and Export Promotion	1993	1997	ONGOING	IALA/ITC	UNDP	275	121	3
VIET NAM	VIE/95/024	*	Capacity development for effective and sustainable integration into the international trading system and promotion of trade efficiency	1996	1998	ONGOING	IALA/GOVT	UNDP	836	0	0
REGIONAL AFRICA	RAF/94/A34		Post-Uruguay Round assistance to African countries	1994		ONGOING		NETHERLANDS	342	229	93
	RAF/95/A19		Implications of the Uruguay Round and the development of strategic actions for SADC countries	1995	1996	COMPLETED		NETHERLANDS	89	89	41
	RAF/95/A38		Trade in Services (Africa). CAPAS Phase II	1995	1997	ONGOING		CANADA/IDRC	149	93	-6

Country/Territory/ Region	Project Number	Short Title	Duration		Status in 1996	Type of project	Source of funds	Total Budget	Expenditures Cumulative	1996
	RAF/90/A01	Etudes nationales du secteur des services (CAPAS)	1990	1997	ONGOING		FRANCE	372	384	44
	RAF/96/001	Capacity building for trade and development in Africa	1996	1997	ONGOING	IALA/UNOPS	UNDP	210	149	149
REGIONAL ARAB STATES	RAB/94/008	Implications of the Uruguay Round for Arab States	1994	1996	COMPLETED		UNDP	166	166	1
	RAB/95/005	Arab States Economic Integration and Trade Programme (EITP)	1995	1997	ONGOING	Preparatory Assistance	UNDP	165	122	112
REGIONAL ASIA & PACIFIC	RAS/92/034	Integrated Programme on International Trade Policy and Trade Development for APTRADE	1993	1997	ONGOING		UNDP	1,810	1,734	176
	RAS/92/043	Support to monitoring and coordination of regional trade and investment programme	1993	1997	ONGOING		UNDP	131	77	0
	RAS/93/039	Pacific Basin partnership initiative (PBPI)	1993	1997	ONGOING	Preparatory Assistance	UNDP	20	10	10
REGIONAL LATIN AMERICA	RLA/92/012	LATINTRADE	1992	1997	ONGOING		UNDP	764	739	8
	RLA/93/003	Pacific Basin partnership initiative (PBPI)	1993	1996	COMPLETED	Preparatory Assistance	UNDP	77	77	11
REGIONAL EUROPE	RER/94/005	Development of trade amongst CIS Economic Union signatory countries and with Baltic countries	1994	1996	COMPLETED	Preparatory Assistance	UNDP	149	149	-11
INTERREGIONAL	INT/89/A17	Trade Policies in the 1990s and Trade diversification strategies for the LDCs	1989	1997	ONGOING		NORWAY, SWEDEN	8*3	713	5
	INT/93/A42	Support for an evaluation of the Uruguay Round of MTNs	1993	1996	OPC		The Ford Foundation	138	138	5
	INT/94/A76	Seminar on Regional Economic Arrangements and their Relationship with the Multilateral Trading System	1995	1997	ONGOING		JAPAN	98	70	0
	INT/95/J18	Seminar on regional economic arrangements and their relationship with the Multilateral Trading System	1995	1997	ONGOING		UNDP/Japanese Trust Fund	190	156	156

Country/Territory/ Region	Project Number	Short Title	Duration		Status in 1996	Type of project	Source of funds	Total Budget	Expenditures Cumulative	1996
	INT/95/X09	Associate Expert - Global Trade Policies	1995	1997	ONGOING		FRANCE	90	50	50
	INT/95/X68	Associate Expert - Global Trade Policies	1995	1997	ONGOING		ITALY	117	108	87
	INT/96/X43	Associate Expert - Global Trade Policies	1996	1997	ONGOING		SENEGAL	84	25	25
						Sub-total Development of Trade Capacities		***8,997***	***6,778***	***1,214***
b. Trade Analysis and Information System (TRAINS)										
INTERREGIONAL	INT/90/006	Development & dissemination of selected computerized trade	1990	1997	ONGOING		UNDP	715	654	-10
	INT/90/A07	TRAINS: Development & dissemination of selected computerized trade data	1991	1997	ONGOING		MULTIDONORS	123	71	34
	INT/92/A04	TRAINS for GSP	1993	1997	ONGOING		ITALY	70	38	15
	INT/92/A18	Interactive Dissemination of Computerized Trade Information	1992		ONGOING		NETHERLANDS	243	188	57
						Sub-total Trade Analysis and Information System (TRAINS)		***1,151***	***952***	***95***
c. Preferential Arrangements										
INTERREGIONAL	INT/84/A01	GSP - Technical Assistance Programme	1984		ONGOING		MULTIDONORS	3,060	3,166	64
	INT/90/A19	Negotiations for a GSTP among developing countries	1990		ONGOING		MULTIDONORS	678	708	172
	INT/94/K02	Second round of GSTP negotiations	1995	1997	ONGOING		UNDP	72	69	17
	INT/93/A34	Trade relations and economic cooperation in the Mediterranean region	1993	1997	ONGOING		ITALY	521	350	154
						Sub-total Preferential arrangements		***4,331***	***4,293***	***407***
						Total Trade Analysis and Systemic Issues		***14,478***	***12,023***	***1,717***

Country/Territory/ Region	Project Number	Short Title	Duration		Status in 1996	Type of project	Source of funds	Total Budget	Expenditures Cumulative	Expenditures 1996
2. Commodities										
SOUTH AFRICA	SAF/95/A17	Natural resources and commodity production. A framework for sustainable development	1996	1999	ONGOING		NETHERLANDS	56	36	36
REGIONAL EUROPE	RER/92/012	Commodity trade assistance	1993	1996	COMPLETED		UNDP	141	141	1
INTERREGIONAL	INT/87/A05	Role of Minerals sector in the development process of developing countries	1988	1997	ONGOING		NORWAY, SWEDEN	194	186	-4
	INT/91/A41	MICAS	1991	1996	OPC		FRANCE, ITALY, NETHERLANDS, NORWAY, REUTERS	392	391	13
	INT/93/A09	International Commodity Marketing and Commodity-Price Risk Management	1993	1996	COMPLETED		NETHERLANDS	195	195	72
	INT/94/A47	Financement de commerce et gestion des importations de denrées alimentaires	1994	1997	ONGOING		FRANCE	74	69	16
	INT/94/A58	Environmental cost internationalization in the commodity sector	1994	1997	ONGOING		UNEP	70	62	-6
	INT/94/X04	Associate expert - Commodities policy	1994	1997	ONGOING		NETHERLANDS	180	148	26
	INT/95/A39	Statistical Review of International Trade in Metal Waste and Scrap	1995	1996	ONGOING		CANADA	35	34	23
	INT/95/A91	Modern commodity marketing mechanisms	1995	1997	ONGOING		SWITZERLAND	250	125	125
	INT/96/A26	Commodity risk management and finance	1996		ONGOING		MULTIDONORS	37	11	11
							Total Commodities:	***1,625***	***1,399***	***313***

Country/Territory/ Region	Project Number		Short Title	Duration		Status in 1996	Type of project	Source of funds	Total Budget	Expenditures Cumulative	1996
3. Trade, Environment and Development											
REGIONAL ASIA & PACIFIC	RAS/94/260	*	ASP-5 Sub Programme on Trade and Environment	1995	1996	COMPLETED	IALA/ ASEAN	UNDP	37	37	-1
INTERREGIONAL	INT/92/207		Reconciliation of environmental and trade policies	1992	1997	ONGOING		UNDP	494	455	78
	INT/92/A06		Reconciliation of environmental and trade policies	1992	1997	ONGOING		NETHERLANDS NORWAY	540	441	63
	INT/92/A31		Developmental aspects of global environmental deliberations	1992	1997	ONGOING		ITALY	133	79	31
	INT/93/A48		Trade and environment	1994	1997	ONGOING		UNEP	181	142	36
	INT/94/A66		Associate Expert - Trade and Environment	1995	1997	ONGOING		FINLAND	206	179	83
	INT/95/A58		Environmental factors and trading opportunities for developing countries	1995	1997	ONGOING		ITALY	189	94	66
	INT/95/A87		Seminar on Environment, Competitiveness and Trade: a Development Perspective	1995	1996	COMPLETED		FINLAND	37	37	37
	INT/96/A39		Support to the Pilot Phase of BIOTRADE	1996	1997	ONGOING		NETHERLANDS	44	12	12
								Total Trade, Environment and Development:	***1,860***	***1,476***	***403***
3. Competition Law & Policy & Consumer Protection											
RUSSIAN FEDERATION	RUS/94/001	*	Umbrella project for advisory services in support of economic and social reforms	1996	1997	ONGOING	IALA	UNDP	35	22	22
ZAMBIA	ZAM/92/026	*	Capacity Building in the Ministry of Commerce, Trade and Industry	1994	1997	ONGOING	IALA/ GOVT	UNDP	171	78	-9

Country/Territory/ Region	Project Number	Short Title	Duration		Status in 1996	Type of project	Source of funds	Total Budget	Expenditures Cumulative	Expenditures 1996
INTERREGIONAL	INT/86/A01	Training programme on RBPs	1986	1996	COMPLETED		FRANCE, NORWAY, SWEDEN	366	366	13
	INT/95/X69	Associate Expert - Global Trade Policies	1995	1997	ONGOING		ITALY	117	70	70
	INT/96/A19	Strengthening competition policy and legislation in developing countries and countries in transition	1996	1997	ONGOING		NETHERLANDS	55	21	21
					Total Competition Law & Policy & Consumer Protection:			***744***	***557***	***117***
5. TRAINFORTRADE										
PHILIPPINES	PHI/96/A24	Training seminar on the new multilateral trade framework	1996	1996	OPC		PHILIPPINES	15	15	15
REGIONAL ARAB STATES	RAB/92/A33	TRAINFORTRADE - Maghreb	1992	1996	OPC		LUXEMBOURG	457	455	2
REGIONAL AFRICA	RAF/94/A50	TRAINFORTRADE sur la politique commerciale dans les pays Africains de la zone franc	1994	1996	OPC		EUROPEAN COMMISSION	170	177	9
	RAF/95/A60	TRAINFORTRADE pour les pays lusophones de l'Afrique	1995	1997	ONGOING		EUROPEAN COMMISSION	82	69	20
	RAF/95/A81	TRAINFORTRADE for the ACP countries of Southern Africa	1995	1997	ONGOING		EUROPEAN COMMISSION	160	147	45
	RAF/96/A05	TRAINFORTRADE - Project for ACP Countries of Western Africa	1996	1998	ONGOING		EUROPEAN COMMISSION	807	118	118
REGIONAL ASIA & PACIFIC	RAS/95/A03	TRAINFORTRADE - Pacific	1995	1997	ONGOING		EUROPEAN COMMISSION	330	285	156
REGIONAL LATIN AMERICA	CAR/93/A15	TRAINFORTRADE: ECSEDA	1993	1997	ONGOING		EUROPEAN COMMISSION	415	303	11

Country/Territory/ Region	Project Number	Short Title	Duration		Status in 1996	Type of project	Source of funds	Total Budget	Expenditures Cumulative	1996
	CAR/94/A71	TRAINFORTRADE pour les Antilles et la Caraibe francophone	1994	1996	COMPLETED		FRANCE	69	68	-1
INTERREGIONAL	INT/90/A18	Training in the field of foreign trade	1990	1997	ONGOING		FRANCE	597	565	53
	INT/91/039	Interregional programme support for TRAINFORTRADE	1992	1997	ONGOING		UNDP	695	447	0
	INT/91/A42	TRAINFORTRADE - Politiques commerciales	1991	1996	OPC		LUXEMBOURG	450	442	5
	INT/93/A11	TRAINFORTRADE	1993	1996	OPC		FRANCE	291	298	19
	INT/93/A39	TRAINFORTRADE: Commodity Trading Cash Markets	1993	1996	ONGOING		NORWAY	106	103	-7
	INT/94/A55	TRAINFORTRADE: appui aux projets régionaux d'Asie et d'Afrique	1994	1996	OPC		LUXEMBURG	155	155	9
	INT/95/A40	TRAINFORTRADE: Développement de programmes de formation dans le domain de l'Efficacité Commerciale	1995	1997	ONGOING		MULTIDONORS	15	11	3
							Total for TRAINFORTRADE:	***4,813***	***3,657***	***457***
							TOTAL for Division on International Trade in Goods and Services, and Commodities:	***23,521***	***19,112***	***3,008***

C. Division on Investment, Technology and Enterprise Development

1. International Investment, Transnationals and Technology Flows

151. Among the various activities implemented by the International Investment, Transnationals and Technology Flows Branch that were financed from extrabudgetary resources are projects related to transnational corporations and industrial restructuring in developing countries; the tradeability of services; the determinants of FDI flows to Brazil; Asian investment in the European Union; and European Union investment in Asia. Other main activities are described below.

EFDITS: Expansion of foreign direct investment and trade in services

152. The project on expansion of foreign direct investment and trade in services (EFDITS) responds to a growing demand from developing countries to receive technical assistance in the area of service investment and trade liberalization and seeks to answer the following questions: What price do developing countries pay for inefficient service sectors in terms of forfeited economic development opportunities? And, to the extent that inefficiencies might arise from excessive protection of domestic service industries, how might increased liberalization of investment and trade in services assist in removing the burden they place on the economy?

153. The project, which is financed by UNDP and executed by UNCTAD jointly with the World Bank, aims at assisting developing countries to assess the gains that they may derive from opening their services markets to foreign services providers, either through investment or trade.

154. The project has been implemented in Tunisia, Uganda and Uruguay. Country reports for Uganda and Uruguay have been finalized and published as internal documents. The country report for Tunisia is currently undergoing a revision that takes into account the latest policy changes in that country. The lessons learned in the first three countries were summarized in an UNCTAD secretariat report to the twentieth session of the Commission on Transnational Corporations (E/C.10/1994/10). The Thailand study, started in 1995, was completed in 1996 and the report is currently being finalized.

Technical cooperation among developing countries to expand and strengthen the role of foreign direct investment (FDI) by small and medium-sized enterprises (SMEs) in the developing countries of Asia

155. The project responds to a growing demand from developing countries in Asia to receive technical assistance in the area of attracting FDI by SMEs and to maximize their contribution to development. This project seeks to enhance the skills of, and build capacity among, national policy-makers in the developing countries of Asia in formulating measures and programmes designed to attract FDI by SMEs and to maximize their contribution to development.

156. The project consists of training decision-makers in policy formulation and implementation to promote FDI by SMEs.

157. A regional seminar is scheduled to take place in China on 29-31 October 1997, and the publication of a handbook on investment for small and medium-sized investors in the region and for host country Governments, as well as local firms, in particular SMEs, receiving such investment is planned for 1998.

Technical-assistance-oriented policy analysis on transnational corporations and foreign direct investment

158. **Development context**. Foreign direct investment (FDI) has become an important factor in the economic development of developing countries and a new

instrument for the integration of countries into the global economy. Developing countries in particular have benefited from increasing FDI inflows over the 1980s (their share amounted to 40 per cent of world inflows in the early 1990s). This trend needs to be analyzed and the various policy issues arising therefrom at both the national and international levels need to be examined, so as to contribute to improving the understanding of FDI and assisting policy-makers.

159. The **objective** of the seminars organized under this project is to update members of delegations in Geneva on current issues related to foreign direct investment and transnational corporations, and to contribute to analysis and consensus-building in this area.

160. **Outputs/results**. Two seminars were organized on "Foreign direct investment in a globalizing world economy" (24 October 1995 and 12 February 1996), each attended by about 50 members of missions to UNCTAD and WTO in Geneva, representatives of the business community and trade unions, and representatives of international organizations. The topics were introduced briefly by experts. To assist with the discussions, the secretariat had put together a package of 22 background documents dealing with the main issues under discussion. In order to allow for free discussions, the seminar was organized in such a way as to have proceedings off the record.

Policy-oriented case studies on interlinkages between foreign direct investment and trade

161. **Development context**. There is a growing demand from developing countries to receive information and analysis in the area of the interrelationship between foreign direct investment and trade, and to maximize their contribution to development.

162. **Objectives**. This project seeks to enhance the understanding of policy-makers in developing countries concerning the interrelationships between foreign direct investment, trade and technology in the context of international production as a system linking global inputs through global outputs to global markets. The project analyzes the interrelationship between foreign direct investment and trade and seeks to disseminate the findings, so as to improve policy formulation in this regard.

163. **Outputs/results**. The outcome of this project formed part of the *World Investment Report 1996: Investment, Trade and International Policy Arrangements*, which was widely disseminated.

2. National Innovation and Investment Policies

FORINVEST: Policy Framework for Attracting Foreign Investment

164. **Development context**. With the globalization of economic activities, driven by increased liberalization, more and more developing countries are seeking investment by transnational corporations. This materializes in a proactive national policy designed to maximize foreign investment flows with a view to increasing external capital/foreign exchange, exports, employment and training, technology capacity and management and marketing skills.

165. The **objective** is to assist developing countries in strengthening their capacity to create and manage the policy and operating climate in which foreign investment and international business can thrive.

166. **Features**. FORINVEST provides advisory services and training packages related to: investment policy, investment legislation, investment codes, sectoral policies governing the participation of transnational corporations in specific sectors, technology transfer and mechanisms for attracting investment (such as export processing zones and build-operate-transfer arrangements).

167. **Outputs/results**. During the reporting period, components of the FORINVEST programme were implemented in the following countries and territories: Albania, Cameroon, Eritrea, Haiti, Kazakstan, Sao Tome and Principe, Sri Lanka, and the West Bank and Gaza Strip. Furthermore, a number of regional and interregional initiatives were taken, such as Africa Connect and Enterprise Africa, involving regional organizations such as ASEAN, CARICOM, the Group of 16 and SOPAC of the Pacific Island Countries. The following cases exemplify how the programme was implemented:

- ***Africa Connect***: In May 1996, UNCTAD organised the AFRICA Connect International Business Conference in Midrand, South Africa, in cooperation with the South Africa Committee of the International Chamber of Commerce, in which some 500 participants attended from Africa, Asia, Europe and North America. The Conference benefited from the participation of representatives of small and medium-sized firms from Africa; African investment promotion agencies, chambers of commerce and manufacturer's associations; firms involved in the services, manufacturing and industrial sectors from Europe and Asia; senior government officials, including the Minister of External Cooperation of France; and representatives of non-governmental and intergovernmental organisations, including the Commissioner in Charge of External Relations of the European Union. The Conference succeeded in highlighting the enormous business potential which exists in Africa and offered the opportunity for businessmen to network and discuss potential business arrangements. It also allowed senior policy-makers to discuss and interact with representatives of the private sector in an effort to developing greater public-private sector cooperation in the promotion of business and investment in Africa. The Conference has sensitized the international community and has since given rise to initiatives aimed at drawing greater attention to the improved business climate in Africa and hence the improved prospects for regional and international firms to benefit from existing opportunities. Among those initiatives is the Johannesburg Declaration which embodies the commitment of the international business community, Governments and the United Nations to endeavour to promote business on the continent.

- ***ASEAN Secretariat***: UNCTAD organized a workshop entitled "International Investment Scenarios and International Business Practices" for investment policy-making officials from ASEAN member countries. The workshop was held in Manila from 23 to 25 September 1996. It was attended by three officials from each of the seven ASEAN member States and two officials from the two countries with ASEAN observer status.

- ***Enterprise Africa***: UNCTAD participated in missions and assisted in the preparation of technical assistance proposals within the context of UNDP's "Enterprise Africa" initiative. This included preparation of a document entitled "Connecting African Markets: Trade and Investment Dynamics" and participation in, and provision of substantive contributions to, regional African conferences such as "Reviving Private Investment in Africa" and the "Consultative Meeting of African Investment Promotion Agencies".

- ***Sao Tome and Principe***: UNCTAD continued to implement a series of activities related to providing assistance to the Government in the development of an improved legal and fiscal framework for investment. Activities in 1996-1997 include the development of implementing legislation for investment laws developed by UNCTAD and subsequently incorporated into decrees by the Government.

- ***West Bank and Gaza Strip***: Following the fielding of a number of missions to West Bank and Gaza Strip during 1995 and 1996, at the request of the Palestinian Authority and UNDP, UNCTAD has been asked to begin the implementation of a project entitled "The Development of

an Industrial Estate in Nablus: Project Feasibility, Implementation Strategy and Environmental Impact". Furthermore, UNCTAD is expected to assist the World Bank in implementing its Industrial Estates Programme pertaining to the policy and regulatory options, implications and institutional capacity regarding the foreign investment regime in general, as well as regimes of exception, in the West Bank and Gaza Strip.

Investment policies reviews

168. **Development context**. In today's more competitive environment for foreign direct investment, a number of countries have requested independent assessments of their investment policies and business environment, which they hope will identify their strengths and weaknesses in terms of attracting FDI. Investment policy reviews (IPRs) are more complex than separate activities of FORINVEST, in that they focus on investment as part of a holistic process of enterprise development. They provide an analytical base and diagnostic tools to evaluate the strengths and weaknesses of the national system of innovation and production as this affects the attractiveness of countries to foreign investors. They involve ministries in dialogues over policy coherence with respect to this issue and public/private-sector dialogues to strengthen policies and institutions relevant to FDI.

169. The **objective** is to provide developing countries with an external tool for assessing how they stand today in attracting FDI of the right kind in consonance with stated national objectives, and incorporating a medium- to long-term perspective on how to respond to emerging regional and global opportunities.

170. **Features**. The IPRs encompass the following: (i) an examination of the country's objectives and competitive position in attracting FDI; (ii) an audit of the country's FDI policy framework and administrative structures and procedures; (iii) a survey of firms to obtain investors' perceptions and experiences; (iv) a round table meeting of stakeholders to discuss preliminary findings, policy options and recommendations; and (v) a presentation at appropriate intergovernmental and international fora whereby other Governments and private sector representatives can familiarize themselves with the country's investment environment and policies, and the country officials can also benefit from the peer review.

171. **Outputs/results**. Following endorsement of the IPR programme by UNCTAD IX, requests were received from Egypt, Pakistan, Peru, Poland and Uganda to carry out policy reviews. During the reporting period, project proposals were prepared and are awaiting funding.

TRANSACT: Negotiating International Business Arrangements

172. **Development context**. Successful agreements in today's complex international business environment require a command of innovative financial techniques and sophisticated legal and fiscal structures, as well as expertise in a variety of other disciplines.

173. The **objective** is to assist Governments (and the private sector) in tackling the whole range of issues that arise in their negotiations with foreign investors, especially transnational corporations.

174. **Features**. TRANSACT provides advisory services and training packages related to investment projects, sectoral regimes, construction contracts, and joint ventures, as well as related technology transfer, finance and taxation issues.

175. **Outputs/results**. During the reporting period, components of the TRANSACT programme were implemented in the following countries: Eritrea, Oman, and the

the Russian Federation (Murmansk Region). The following cases exemplify how the programme was implemented:

- ***Eritrea***: The Ministry of Energy, Mining and Water Resources of Eritrea received assistance through a training programme in petroleum economics and petroleum fiscal systems and received the latest software in this area. Advisory services were provided in the drafting of a model mining contract and the ministry was also assisted in the procurement of scientific equipment to carry out basic research activities in the department of mines. A study tour to Zimbabwe was organized for two experts from the Ministry of Energy, Mining and Water Resources to allow them to participate in a Conference on the Application of Remotely Sensed Data and Geographic Information Systems (GIS) in Africa.

- ***Oman***: At the request of the Government of the Sultanate of Oman, a policy options paper concerning the mining sector was prepared by NIIPB. As a result - and following a mission to Oman in early 1996 - NIIPB has been asked to implement a technical assistance programme which will modernize Oman's Law on Mining and the related regulations and fiscal regime and will make available model contracts and licenses for the mining sector. In the context of this project, UNCTAD has also provided the Government with advice on a mining contract with a transnational mining company.

- ***Russian Federation***: A workshop on "Negotiating with Transnational Corporations and Structuring of Joint Ventures" was held in Murmansk in August 1996. The workshop was attended by some 20 managers of private and public enterprises and officials of the Murmansk Region. In order to further support the efforts of the Murmansk Regional Administration in promoting the region vis-à-vis foreign investors, project funds were also used to permit the Murmansk Regional Administration to participate in an EU/CIS Exhibition in Paris at the end of October 1996.

STAMP: Strengthening/Streamlining Agencies concerned with Maximizing and Promoting FDI

176. **Development context**. In an environment of increased liberalization, countries have been adopting a very proactive policy of maximizing foreign investment flows, subject to the terms and conditions that prevail in a given environment.

177. The **objective** is to assist developing countries and economies in transition in strengthening their investment institutions - especially investment promotion agencies (IPAs) - in streamlining their modes of operation and approval processes, in monitoring the quantity, quality and impact of inflows and in promoting their host country as attractive locations. As a follow-up to the Africa Connect Initiative, special attention will be given to the institutional strengthening of IPAs in Africa and investment promotion efforts for the African region.

178. **Features**. STAMP provides advisory services and training packages related to: (i) setting up an investment promotion agency from scratch or clarifying the identity, role and powers of existing institutions; (ii) establishing effective 'one-stop' agencies; (iii) procedures and practices that could be employed in encouraging and evaluating foreign investment inflows; (iv) the development of an information system capability to both effectively register/record inflows and assess the impact on employment, taxation, the balance of payments, training and technological development, backward and forward linkages; and (v) setting up information systems, organizing promotional visits and promotional material (including brochures) and arranging investment roundtables.

179. **Outputs/results**. During the reporting period, components of the STAMP programme were implemented in the following countries and territories: Albania, Belarus, Colombia, Haiti, Malaysia, Philippines, Thailand, Uzbekistan, and the West Bank and Gaza Strip. Furthermore, NIIPB was involved in a number of regional and interregional initiatives such as Africa Connect, Location Asia-Pacific and the World Association of Investment Promotion Agencies (WAIPA). The following cases exemplify how the programme was implemented:

- ***Albania***: Assistance was provided to the Government of Albania through the organization of study tours and training courses for senior staff of the Albanian Centre for Foreign Investment Promotion (ACFIP) and other government institutions dealing with foreign investment in Belgium, Ireland, Italy, Hungary and Poland, as well as through two in-house training courses at ACFIP. The Centre was assisted in computerizing its investment registration and monitoring system, procurement of office equipment and carrying out financial analysis studies of 16 investment projects in Albania. In addition, three sector analysis studies were carried out in preparation for an International Conference on Foreign Investment in Albania. Support was also given to the publication of an Albania Report in a major international corporate investment journal and in organizing investment promotion missions by high level government officials to Austria, Italy and Switzerland.

- ***World Association of Investment Promotion Agencies (WAIPA)***: Following the launching of the WAIPA initiative in April 1995, UNCTAD hosted the first annual WAIPA Conference in Geneva in November 1996. The Conference took place parallel to, and interacted with, UNCTAD's intergovernmental Commission on Investment, Technology and Related Financial Issues. The participants, of which there were over 80, included representatives of investment promotion agencies (IPAs) from 55 countries throughout the world, transnational corporations, multilateral organisations and international experts. The primary foci of the Conference were to: (a) plan future WAIPA activities; (b) discuss worldwide trends in foreign direct investment; (c) exchange experiences on best practices in investment promotion; and (d) interact with the Swiss-based business community. In the context of the WAIPA initiative the following publications were prepared by UNCTAD: (i) the annual *WAIPA Report;* (ii) the *1996 World Directory of Investment Promotion Agencies;* (iii) the *Pro-Invest* news bulletin: a newsletter for investment promotion agencies; and (iv) a background document on *Best Practices in Investment Promotion*.

- The third day of the ***Africa Connect*** Conference in May 1996 was devoted to *Best Practices in Investment Promotion* and was attended by IPA officials from throughout Africa. One of the achievements of the Conference was the establishment of an African Chapter of WAIPA.

- An Asia and Pacific Chapter of WAIPA was founded at the end of a regional workshop entitled ***Location Asia-Pacific*** which was organized in cooperation with the Philippines Board of Investment and took place in September 1996. This three-day workshop in Manila, in which IPA officials from 14 countries in Asia and the Pacific participated, dealt with a variety of subjects relevant to policy-makers in investment promotion, as well as officials who deal with the day-to-day work of promoting investment in their respective country or region.

COMSAT: Commercialization of Science and Technology

180. **Development context**. Research and development in science and technology play a key role in determining a firm's competitiveness and the commercial life of its products and services. Many transitional economies possess considerable scientific and technological capacity which could be, and in some cases is

already being, developed and commercialized. However, the process of securing financing for R & D purposes, protecting the intellectual property that results from such research, and effectively linking the R & D activities with industry has proven difficult in the new market-oriented environment. Equally difficult has been the process of licensing this technology abroad or forming joint venture arrangements with foreign partners.

181. The **objective** is to assist transitional economies and developing countries in strengthening their existing scientific and technological structures and institutions, and to assist in marketing related products and services internationally.

182. **Outputs/results**. During the reporting period, components of the COMSAT programme were implemented in Belarus, as described below.

- ***Belarus***: The implementation of an action plan, submitted in 1994, to build Belarus' capacity to commercialize science and technology internationally in a competitive and sustainable manner began in 1995. Preparations were made for a series of advisory and training activities, the first of which were carried out in early February 1996. Advisory activities focused on evaluating the products and services of science and technology, from both technological and marketing perspectives. Training was aimed at strategic planning, marketing and promotion, finance, intellectual property protection and international negotiation. Furthermore, over 100 technologies were evaluated from both technical and market perspectives. Twenty technologies were chosen to be the subject of business plans and market research efforts. A second round of customized training will take place in 1997 to draft the business plans.

Science, Technology and Innovation Policy Reviews

183. **Development context**. Developing countries need assistance to evaluate the efficiency with which their scientific and technological, as well as industrial, economic, educational and social institutions and mechanisms contribute to the development - particularly technological development - of their enterprises. By enriching the knowledge of how these policies are designed and applied, the reviews will help countries to improve their policies, while at the same time opening up opportunities for greater international cooperation.

184. **Objectives**. The STIP review is intended to facilitate effective integration of science and technology policies with development planning by, *inter alia*, establishing constructive dialogue between different agencies responsible for technology, investment, agriculture, trade, education and related issues with a view to building up and strengthening local technological capabilities and resources. In examining such issues, the STIP review aims to enhance the policy making capability of Governments with respect to innovation and strengthening of the technological infrastructure.

185. **Features**. The STIP review encompasses the following: upon invitation from the responsible authorities, the UNCTAD secretariat carries out a brief programming mission in the participating country and jointly, with the local authorities, designs the content and the guidelines of the country's background report. Following the completion of the background report by the national authorities, a small team of international experts, chosen jointly with the participating country, carries out an independent evaluation of the country's STIP conditions and policies. Subsequently, the international review team prepares a brief evaluation report, with the secretariat acting as rapporteur, containing their own assessment of the STIP system in the country and suggesting appropriate policy options. Finally, a round table meeting is held in the country itself between the international experts, the secretariat and

the key local players in the science, technology and innovation system, to discuss the preliminary findings, policy options and recommendations.

186. **Outputs/results**. During the reporting period, the STIP review for Colombia was completed, and it is now in the process of being published. The review was carried out within the framework of the current aims of the Colombian Government to promote and develop its system of innovation and to formulate its national S&T policy. The review served as a heuristic device providing impetus to the development of the national dialogue around the issue of innovation amongst the key sets of actors in Colombia's national system of innovation (NSI). The review assessed the institutional linkages amongst these actors and sets of actors, in particular between government and business, and proposed ways and means of strengthening these in promotion of technological development and innovation. Some of the objectives of the review have already been achieved, since the Colombian S&T community has adopted a number of key recommendations proposed in the review, particularly relating to the financing of innovation. Recently, a second STIP review in Jamaica has been launched. Subject to availability of financial resources, a third STIP review will be initiated in Ethiopia in the near future.

3. Enterprise Development

EMPRETEC: Entrepreneurship and SME development

187. **Development context**. Increasing the number of entrepreneurs in developing countries can provide the impetus for a vigorous developmental process, which generates a dynamic business environment with a multitude of new employment opportunities. In many cases, however, market imperfections work against small and medium-size enterprises (SMEs), inhibiting the emergence of entrepreneurs and the growth of SMEs.

188. **Objectives**. EMPRETEC was established to promote entrepreneurship and SME development, as well as linkages with foreign companies. The programme aims at stimulating employment-creating investment, technology transfer and exports through development of indigenous entrepreneurs and innovative SMEs.

189. **Features**. EMPRETEC focuses on the selection of promising entrepreneurs, entrepreneurship training workshops, assistance in enterprise creation, provision of business support, and the establishment of an entrepreneurs' network. A coalition of public officials, entrepreneurs, corporate managers, bankers and executives of transnational corporations facilitates the access of SMEs to the skills, technology, opportunities, training and information necessary to help them realize their objectives, expand their activities and establish productive, stable linkages with foreign companies. The programme aims to be self-sustainable at the end of UNCTAD's typical four-year involvement. The programme is implemented in cooperation with the UN Department for Development Support and Management Services (DDSMS).

190. Since EMPRETEC's inception in 1988, the programme has become operational in Argentina, Bolivia, Brazil, Chile, Colombia, Ethiopia, Ghana, Nigeria, Peru, Uruguay, Venezuela and Zimbabwe, assisting more than 6,000 entrepreneurs through 24 market-driven local Business Support Centres. Projects are under preparation for the Caribbean (Guyana, Trinidad and Tobago, and the Eastern Caribbean), Central America (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama), Cuba, Egypt, Indonesia, the Philippines, and Viet Nam. Other projects in Africa, including the least developed countries, will be undertaken within the framework of Enterprise Africa, a major new initiative of UNDP's Regional Bureau for Africa to be launched in 1997. The national components of Enterprise Africa are based on the EMPRETEC model.

191. The EMPRETEC projects in Argentina, Brazil, Chile, Ghana, Nigeria, and Uruguay are now self-sustaining. In Africa, UNCTAD is implementing the project

in Zimbabwe. In Latin America, DDSMS is implementing the projects in Bolivia, Colombia, and Peru.

192. **Outputs/results**. Over 1,500 new participants were trained in 1996 while over 6,500 participating entrepreneurs continue to make use of EMPRETEC's training and networking facilities. The following case exemplifies how the programme was implemented:

- **Zimbabwe**: In 1996, three Entrepreneurship Development Workshops were held in Zimbabwe with the participation of 94 SMEs, bringing the total number of SMEs to have benefited from the project to over 450. EMPRETEC was subcontracted by the Delta Corporation to run two workshops and identify potential borrowers for a loan fund of Z$ 5 million ($ 0.5 million). In 1996, 18 such loans were approved for a total of Z$ 2 million. A central objective of the project is to convert EMPRETEC Zimbabwe into a self-sustaining foundation in 1997. In preparation thereof, during 1996 UNCTAD assisted EMPRETEC Zimbabwe in the preparation of a Business Plan up to the year 2000, in working out a foundation framework, and in formulating a proposal for the establishment of an endowment fund, the proceeds of which would fund the operational costs of the project on a long-term basis. The Reserve Bank of Zimbabwe has taken the leadership in the establishment of a $1.4 million endowment fund, for which the Bank will raise half from the private financial sector. EMPRETEC Zimbabwe also took the initiative to jointly organize the Small Business Expo '96, which attracted 120 exhibitors of whom 40 empretecos, and launched an entrepreneur-of-the-year award. Twelve Zimbabwean empretecos participated in the second International Fair of empretecos which was organized by EMPRETEC Brazil and held in São Paulo from 17 to 19 November.

ENTERPRISE NETWORKING: Commodity production and trade diversification through Asian-African partnership

193. **Development context**. The patterns and pace of economic growth and structural transformation in various developing regions have been significantly differentiated over the past three decades. This has given rise to significant complementarities on both the supply and demand sides, particularly among the Asian and African developing countries occupying different positions within the development spectrum.

194. In particular, most economies in East and South-East Asia have been facing chronic labour shortages, and this has induced the relocation overseas of labour-intensive, mature-technology manufacturing activities. Several of these economies have, indeed, become important investors in a number of African countries. Furthermore, spreading affluence has made populous East and South-East Asia a very important market for a wide range of consumer and producer goods and services.

195. **Objectives**. The project is designed to network African enterprises and entrepreneurs with their counterparts in South-East Asia - specifically Indonesia, Malaysia and Thailand. This is to be accomplished through the promotion of mutual contacts and the identification of joint venture opportunities and niches in trade and investment between the two regions.

196. **Features**. South-South cooperation is the central characteristic of this project which, in addition, is exclusively focused on the private sector; furthermore, project activities are concretely operational in nature. The main implementation modalities are the conduct of study visits to South-East Asia for African business executives and the promotion of return visits to Africa by prominent South-East Asian entrepreneurs.

197. **Outputs/results**. The first study visits took place in Jakarta (30 November-7 December 1996) and Bangkok (8-15 December 1996). They were vastly over-subscribed: over 120 African entrepreneurs registered for the visits, and to ensure participation, they also undertook to meet their own external travel expenses to and from Indonesia and Thailand. Due to the project's budgetary constraints, only 25 African business executives (of which 15 from 6 least developed countries) were selected for the study visits, with four being women entrepreneurs. These participants belonged to 13 developing countries in sub-Saharan Africa - namely Botswana (1 entrepreneur), Cameroon (1), Djibouti (1), Ethiopia (7), Ghana (5), Kenya (1), Malawi (2), Namibia (1), Nigeria (1), Senegal (1), Uganda (1), United Republic of Tanzania (2), and Zambia (1). They brought along over 100 trade and investment proposals covering a large range of commodities-based production, processing and manufactures; many of the proposals also embodied an integrated, multi-activity operation.

198. Study tour members were warmly received and generously hosted by both the government and business sectors in Indonesia and Thailand; considerable publicity was also accorded to the study tours by the media in Thailand. They were able to establish contacts and to network with some 200 Indonesian and Thai entrepreneurs.

199. The numerous face-to-face discussions and factory visits not only resulted in a large number of actual or pending commercial transactions between many African and host participants but also, more importantly, served to widen their business "vision" and resulted in noticeable improvements in mutual perceptions and understanding among the interacting African, Indonesian and Thai entrepreneurs.

200. Apart from these intangible results, a Memorandum of Understanding on Trade was signed between the Uganda National Chamber of Commerce and Industry (UNCCI) and the Indonesian Chamber of Commerce and Industry; a similar Agreement will soon be finalized between the UNCCI and the Board of Trade of Thailand. In addition, a prominent Thai personality was informally approached to be the Honorary Consul of an African country in Thailand.

201. A series of return visits by prominent business executives from South-East Asia to selected African countries are being organized for 1997 and 1998 in order, among other things, to help cement contacts already made and to identify further opportunities and niches for joint ventures in trade and investment.

Accounting: International Standards of Accounting and Reporting

202. **Development context**. Accurate and understandable financial information is necessary to enable Governments and investors to make financial decisions. In order to attract foreign investors, enterprises must be able to instil confidence in their financial statements.

203. **Objectives**. The programme's aim is to assist Governments and enterprises to formulate and implement accounting and auditing laws and standards, together with other relevant regulations according to internationally accepted accounting principles.

204. **Features**. Technical assistance projects have been developed over many years by the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR) and are considered to be objective and suited to the needs of investors, creditors, Governments and other interested users. They are consistent with the international standards formulated by the International Accounting Standards Committee and the International Federation of Accountants, as well as the European Union directives. The UNCTAD programme puts these international standards in a form usable for developing countries and countries in transition, which have many difficulties with interpretation and implementation.

205. The programme is implemented using two distinct methods. Firstly, at the annual sessions of ISAR, experts discuss and approve technical reports and publications. Standard setters, regulators, academics and practitioners from approximately 30 developing countries and countries with transitional economies participated in the 1996 annual session. All materials produced by ISAR are distributed to countries and interested programmes by the usual channels, including the extensive "out-reach" programme of the former Accounting Section of DTCI. Secondly, country specific activities take place.

206. **Outputs/results**. Examples of results at the national level are described below.

- ***Uzbekistan***: A two-year project was successfully concluded in 1996. More than 6,000 accountants were trained during the two-year period using materials developed by the project. The accounting and auditing laws developed by the project were adopted by the Parliament.

- ***Azerbaijan***: A project was implemented along the lines of the Uzbekistan project. The materials developed in the Uzbekistan project were adapted to the specific conditions of Azerbaijan and can be used to the greatest extent possible. In 1996, UNCTAD won a tender (from the European Commission) for the training of auditors and the setting-up of an auditing chamber in Azerbaijan. The project started in 1997.

C. Division on Investment, Technology and Enterprise Development

Country/Territory/ Region	Project Number		Short Title	Duration		Status in 1996	Type of project	Source of funds	Total Budget	Expenditures Cumulative	Expenditures 1996
1. International Investment, Transnationals and Technology Flows											
BRAZIL	BRA/95/023	*	Group of Analysis and Research (GAP)	1996	1997	ONGOING	IALA/UNDP	UNDP	122	101	101
REGIONAL ASIA & PACIFIC	RAS/95/030		Role of foreign direct investment by small and medium-sized enterprises in developing countries in Asia	1995	1997	ONGOING		UNDP/Japanese Trust Fund	319	117	117
	RAS/96/A25		Seminar on "Investing in Asia's dynamism: European Union direct investment in Asia", Geneva, 01.04.96	1996	1997	ONGOING		EUROPEAN COMMISSION	74	54	54
	RAS/96/A35		Report on "Sharing Asia's dynamism: Asian foreign direct investment in the European Union"	1996	1997	ONGOING		THAILAND	72	32	32
REGIONAL EUROPE	RER/95/A02		Transational Services Corporations and transition process	1995	1997	ONGOING		POLAND	12	0	0
REGIONAL LATIN AMERICA	RLA/95/A18		Associate Expert - Transnational Corporations	1995	1997	ONGOING		DENMARK	150	91	55
INTERREGIONAL	INT/91/037		Expansion of Foreign direct investment and trade in services	1994	1997	ONGOING		UNDP	285	63	0
	INT/93/A46		Research on foreign direct investment in services	1993	1997	ONGOING		REP. OF KOREA	16	10	0
	INT/93/A50		Transnational Corporations and industrial restructuring in developing countries	1993	1997	ONGOING		DENMARK	357	247	17
	INT/94/A09		Associate Expert - Transnational Corporations	1994	1997	ONGOING		DENMARK	201	127	27
	INT/94/A22		Tradability of Services: Impact and Implications for Developing countries	1994	1997	ONGOING		DENMARK	179	132	36

Country/Territory/ Region	Project Number		Short Title	Duration		Status in 1996	Type of project	Source of funds	Total Budget	Expenditures Cumulative	Expenditures 1996
	INT/94/A61		Associate Expert - Transnational Corporations	1994	1997	ONGOING		AUSTRIA	225	177	72
	INT/95/016		Expansion of foreign direct investment and trade in services (Phase II)	1995		ONGOING		UNDP	285	92	26
	INT/95/A14		The New Globalism and Developing Countries: Investments, Trade and Technology Linkages in the 1990s	1995	1997	ONGOING		NETHERLANDS	46	29	6
	INT/96/A17		Associate Expert - Transnational Corporations	1996	1998	ONGOING		GERMANY	118	86	86
	INT/96/A20		Policy-oriented case studies on interlinkages between foreign direct investment, trade and technology	1996	1997	ONGOING		NETHERLANDS	107	61	61
	INT/96/X05		Associate Expert - Global Trade Policies	1996	1997	ONGOING		NETHERLANDS	95	48	48
	INT/95/A41		World Investment Report	1995	1995	COMPLETED		SWEDEN	45	45	0
	INT/95/A82		Technical assistance-oriented policy analysis on transnational corporations and foreign direct investment	1995	1996	COMPLETED		MULTIDONORS	71	71	31
								Total International Investment, Transnationals and Technology Flows:	***2,779***	***1,582***	***768***
2. National Innovation and Investment Policies											
ALBANIA	ALB/93/014		Investment promotion in Albania	1994	1997	ONGOING		UNDP	433	333	181
BELARUS	BYE/94/001	*	Commercialization of science and technology	1995	1997	ONGOING	IALA/UNDP	UNDP	344	0	0
CHINA	CPR/91/573		Internship Training in TNCs for Business Managers	1994	1997	ONGOING		UNDP	32	-3	-9
CHINA	CPR/94/A53		Hands-on management training in China	1994	1996	ONGOING		SWITZERLAND	41	39	-7
ERITREA	ERI/91/002	*	Programme Support Project (Investment)	1995	1997	ONGOING	IALA/ UNOPS	UNDP	158	80	25

Country/Territory/ Region	Project Number		Short Title	Duration		Status in 1996	Type of project	Source of funds	Total Budget	Expenditures Cumulative	Expenditures 1996
ETHIOPIA	ETH/89/018		Promotion of investments through joint venture	1994	1996	OPC		UNDP	62	43	-13
KAZAKSTAN	KAZ/94/002		Assistance in supporting economic reforms and creating a favourable investment climate	1994	1996	ONGOING	paratory Assista	UNDP	275	275	7
	KAZ/95/005	*	Advisory services to the Government of Kazakstan	1996	1997	ONGOING	IALA/UNDP	UNDP	5	0	0
	KAZ/95/008	*	Assistance to the Government to develop a programme on restructuring and reorganising of industrial enterprises	1995	1995	ONGOING	IALA/GOVT	UNDP	19	19	16
OMAN	OMA/96/AC9		Legal and regulatory framework for mining sector	1996	1997	ONGOING		OMAN	66	0	0
PAPUA NEW GUINEA	PNG/86/012		Workshop on negotiations on Transnational Corporations	1994	1997	ONGOING		UNDP	184	178	0
RUSSIAN FEDERATION	RUS/94/009		Workshop negotiating with Transnational Corporations and structuring of joint ventures	1996	1997	ONGOING		UNDP	30	25	25
SAO TOME & PRINCIPE	STP/95/002		Amélioration du régime d'investissement	1995	1997	ONGOING		UNDP	249	126	83
UZBEKISTAN	UZB/93/011	*	Investment promotion service	1996	1997	ONGOING		UNDP	100	61	61
REGIONAL AFRICA	RAF/96/014	*	Enterprise Africa: Strengthening SME Creation, Development and Regional Integration	1996	1997	ONGOING	IALA/UNDP	UNDP	98	48	48
	RAF/96/A10		Africa Connect	1996	1997	ONGOING		MULTIDONORS	522	76	76
REGIONAL ASIA & PACIFIC	RAS/96/A46		Training workshop for ASEAN investment policy making officials	1996	1997	ONGOING		ASEAN Secretariat	43	7	7

Country/Territory/ Region	Project Number	Short Title	Duration		Status in 1996	Type of project	Source of funds	Total Budget	Expenditures Cumulative	Expenditures 1996
REGIONAL EUROPE	RER/93/013 *	Joint UN GVT mission to Kazakstan (24 Jan - 9 Feb 1995)	1995	1997	ONGOING	IALA/OPS	UNDP	25	0	0
	RER/96/003	Fund-raising for the commercialization of science and technology	1996	1997	ONGOING	Preparatory Assistance	UNDP	18	0	0
INTERREGIONAL	INT/95/A94	Meeting CSTD	1995	1996	ONGOING		NETHERLANDS	45	41	23
	INT/91/A17	Technological dynamism and R&D in exports of manufactures of developing countries	1991	1997	ONGOING		SWEDEN	449	427	40
	INT/93/A44	United Nations Trust Fund on Transnational Corporations	1993	1997	ONGOING	General TF	MULTIDONORS	2.076	1.976	818
	INT/95/A84	Publication of the Advanced Technology Assessment System (ATAS) Bulletin	1995	1997	ONGOING		EUROPEAN COMMISSION	23	3	1
	INT/96/A34	Implications of the TRIPS agreement for developing countries	1996	1997	ONGOING		WIPO	37	34	34
	INT/96/A60	Promotion of foreign investment in developing countries	1996	1998	ONGOING		NETHERLANDS	320	1	1
	INT/96/X37	Associate Expert on investment and technology	1996	1997	ONGOING		BENIN	79	28	28
							Total National Innovation and Investment Policies:	***5,731***	***3,618***	***1,447***
3. Enterprise Development										
AZERBAIJAN	AZE/95/004	Accounting reform and retraining	1996	1997	ONGOING		UNDP	106	99	93
GHANA	GHA/92/016	EMPRETEC (Phase II)	1994	1997	ONGOING		UNDP	30	0	0
UZBEKISTAN	UZB/93/003	Accountimg Reform and Retraining	1993	1996	OPC		UNDP	282	234	-11

Country/Territory/ Region	Project Number	Short Title	Duration		Status in 1996	Type of project	Source of funds	Total Budget	Expenditures Cumulative	1996
ZIMBABWE	ZIM/91/010	EMPRETEC - Enterprise Development	1994	1997	ONGOING		UNDP	163	152	79
REGIONAL AFRICA	RAF/96/A44	African Commodity sector diversification through South-South cooperation	1996	1998	ONGOING		JAPAN	398	30	30
REGIONAL LATIN AMERICA	RLA/96/A37	Empresa y technologia para el siglo XXI (EMPRETEC)	1996	1997	ONGOING		SPAIN	685	74	74
REGIONAL LATIN AMERICA	RLA/96/A43	Spanish expert for EMPRETEC	1996	1997	ONGOING		SPAIN	115	41	41
INTERREGIONAL	INT/93/A19	Workshop on Transfer and development of environmentally sound technologies (ESTs)	1993	1996	ONGOING		NORWAY	58	55	0
INTERREGIONAL	INT/93/A38	TRANSTECH	1993	1996	ONGOING		DENMARK	179	179	7
INTERREGIONAL	INT/94/A65	Workshop on selected cooperation aspects for technological capability-building in developing countries	1995	1995	OPC		UNITED KINGDOM	39	38	1
INTERREGIONAL	INT/95/X06	Associate Expert - EMPRETEC 21	1995	1997	ONGOING		NETHERLANDS	188	154	75
INTERREGIONAL	INT/95/X39	Associate Expert - Eco-efficiency for SME's	1995	1997	ONGOING		NETHERLANDS	106	80	27
INTERREGIONAL	INT/96/A21	Technology partnership for capacity-building (Special gathering of policy makers and experts)	1996	1997	ONGOING		FINLAND	49	39	39
INTERREGIONAL	INT/96/A31	Promoting an integrated approach to SMEs development and joint ventures in developing countries	1996	1997	ONGOING		ITALY	313	140	140
							Total Enterprise Development:	***2,709***	***1,316***	***597***
							Total DIVISION ON INVESTMENT, TECHNOLOGY AND ENTERPRISE DEVELOPMENT:	***11,220***	***6,716***	***2,812***

D. Division for Services Infrastructure for Development and Trade Efficiency

1. Trade Infrastructure

a. Transport

(i) The Advance Cargo Information System (ACIS)

207. **Development context**. One of the major factors hindering the economic development of developing countries is the high cost of transportation resulting from extended door-to-door transit times. A combination of both physical and non-physical constraints account for this situation. To assist these countries to overcome this problem, UNCTAD has developed and is installing a transport management tool called ACIS.

208. The **objectives** of ACIs are as follows:

- To provide information on the progress of consignments so that market pressures can be applied to identify and cure delays and other problems;
- To provide information on the progress of consignments so that market pressures can be applied to identify and cure delays and other problems;
- To reduce costs to shippers, thus enhancing trade competitiveness; To foster subregional integration and partnership with transport clients;
- To change the transportation culture by promoting business partnerships between those involved with cargo transit and transferring appropriate technology.

209. **Features**. ACIS is the generic name given to a "tool-box" of computer applications designed to produce management information to address multimodal cargo transit and transport problems. ACIS has four components, each tracking cargo on a mode or interface: RailTracker, PortTracker, RoadTracker and Lake/River Tracker. They in turn have main modules performing different but interrelated functions, especially with regard to statistics and performance indicators. ACIS provides the following facilities:

- Improved information to help control the operations of individual transport operators;
- Advance information on the movement of individual consignments, providing an opportunity to transport managers to plan the optimum use of transport networks, equipment and standing facilities, leading to improved transit times for goods;
- A database facility available to a party registered as having an interest in a consignment and its transportation, providing the latest reported location and status of goods and transport equipment;
- A database for rational corporate planning by transport operators;
- A long-term record of transport movement data to build up databases to permit Governments and institutions to analyze national, subregional and regional problems in order to investigate alternative investment opportunities in the transport sector.

210. **Output/results/impact**. The system is either fully or partially operational in a number of African countries and in Bangladesh. Requests have been received from other countries for installation. In all countries where the ACIS RailTracker has been installed (especially in Eastern Africa and Bangladesh):

- Comprehensive data are now available to traffic and other managers. This includes information such as the position of wagons on the

network, the number of wagons in workshops, the location of locomotives, etc.
- Weekly/monthly reports can now be generated easily for purposes such as planning;
- Customer information has dramatically improved, since information can now be accessed instantaneously; this clearly has boosted customer confidence in the railways;
- Wagon turn-around has improved, and the dwelling time of wagons in repair yards and stations has been drastically reduced;
- Wagon hiring charges have been halved in many instances;
- User and staff training has been undertaken

(ii) Ports, Shipping and Training

Somali ports

211. The **objective** in this area of activity is to facilitate the functioning of the country's economy and trade through the rehabilitation and effective functioning of the ports, and in particular:

- To establish secure, efficient and financially viable port authorities;
- To support the long-term rehabilitation of ports' facilities and equipment, including through contributions to fund raising activities;
- To set up a human resources development plan;
- To advise UNDP and other donors under the umbrella of the Somali Aid Coordinating Body on port and transport matters;
- To rehabilitate buildings for the Bari regional administration.

212. **Features**. Activities started in June 1993 with UNDP funding. They were primarily devoted to managing the ports of Mogadishu and Kismayu in the south of the country under UNOSOM II. The project also provided advice to the local management of the northern ports of Berbera and Bosasso and set up a national port body to coordinate development.

213. The project succeeded in keeping foreign relief flowing without interruption, as well as allowing local businessmen to export goods until the cessation of UNOSOM operations in March 1995. After that the project concentrated on advising the local management of the northern ports of Berbera and Bosasso.

214. **Output/results/impact**. In 1996, the assistance to the two northern ports was complemented by two other projects funded by the European Commission. The first expanded the training and advisory activities, while the second was designed to rehabilitate buildings required by the Bari regional administration. A fully equipped training centre, which is also providing vocational training to youngsters, was set up in Berbera, and cargo-handling equipment was repaired. A major achievement in the port of Bosasso was the separation of the port accounts, and as a result taxes are now being collected by the Bari Regional Administration. The projects continue to monitor the situation in the southern ports of Mogadishu and Kismayu, and donors have been advised on how to direct the rehabilitation effort in the transport field.

215. The impact of the three projects can be measured by the normal functioning of the ports of Berbera and Bosasso, which in 1996 exported some 2.7 million live animals and imported general cargo. Berbera is a transit port for import cargo to Ethiopia.

Assisting private-sector participation in maritime services

216. A national pilot project on assisting private participation in maritime and related services was initiated in Thailand in late 1996 with the aim of identifying possibilities for the national private sector to participate effectively in the provision of maritime and related services. To this end,

activities are being undertaken to assess policy reform needs at the national level and to provide management assistance to companies in the maritime sector through comprehensive training programmes. The results of this programme will be generalized for application and dissemination in the context of further country projects.

Training

217. Three training activities related to ports and shipping are reported below, being complementary to the TRAINMAR programme (see below):

(a) STRATSHIP is an activity whose objective is to improve the management performance of shipping companies in developing countries. STRATSHIP courses are designed to improve capabilities of senior staff in such areas as strategic planning and profitability improvement. STRATSHIP addresses itself primarily to liner shipping companies using computer simulation techniques. A similar programme for tanker and dry bulk sectors is being designed.

(b) A second programme, JOBMAR, provides an opportunity for participants to benefit from on-the-job training in countries with more advanced maritime sectors. The programme is based on a hands-on approach to acquiring management skills. Experience is gained by actually dealing with business situations over an extended period of time under real commercial conditions. The programme is carried out with the active support of private sector companies, particularly in the shipping and ports sectors in all parts of the world. It is thus an example of functioning triangular cooperation between developing countries, the private sector in developed countries and UNCTAD.

(c) In the area of port management, a manual for a new course on port strategic pricing was produced in 1996. This course continued the series of Improving Port Performance (IPP) training courses. The first IPP courses continued to be disseminated in developing countries and countries in transition. Further training materials on Container Terminal Management and Port Marketing were updated and translated during the year. Capacity-building was supported through contributions to training activities of the TRAINMAR programme and of training activities organized by other international organizations or under bilateral assistance for the benefit of developing countries and countries in transition. The dissemination of information on training activities through the Ports Newsletter continued, and two issues were published in 1996.

b. Trade facilitation

(i) ASYCUDA - Customs modernization and reform

218. **Development context**. An efficient and effective customs administration is essential to the welfare of any country. It benefits the national economy by collecting revenue. It assists the Government to implement national and international policy. It protects the country by combatting fraud and the illegal trafficking of prohibited and restricted goods. It provides the statistical information on foreign trade transactions essential for economic planning and it encourages international trade. However, customs administrations in many countries fall far short of being efficient and effective.

219. **Objectives**. The ASYCUDA programme is aimed at reforming the customs clearance process. It aims to speed customs clearance through the introduction of computerisation and simplification of procedures and thus minimise

administrative costs to the business community and the economies of countries. It aims at increasing customs revenue, which is the major contributor to national budgets in most countries, by ensuring that all goods are declared, that duty/tax calculations are correct and that development exemptions are properly managed. It aims to produce reliable and timely trade and fiscal statistics to assist in the economic planning process as a by-product of the customs system. An important objective of ASYCUDA projects is to implement the systems as efficiently as possible with a full transfer of know-how to national customs administrations at the lowest possible cost for countries and donors. Projects also introduce international standards, including UN/EDIFACT, and active cooperation among a steadily growing number of ASYCUDA user countries further increases mutual benefits.

220. **Features**. ASYCUDA is a computerized customs management system which covers most foreign trade procedures. The system handles manifests and customs declarations, accounting procedures, transit and suspense procedures. It generates detailed information about foreign trade transactions which can be used for economic analysis and planning.

221. With 46 active projects and expenditures exceeding US$ 7.4 million in 1996, this programme is the most important technical cooperation programme of UNCTAD. The ASYCUDA software operates on all types of hardware in a client/server environment. Transaction and control data are stored on a relational data base management system. It takes into account all international codes and standards relevant to customs processing as established by ISO, WCO (World Customs Organization) and the United Nations. ASYCUDA can be configured to suit national characteristics such as individual customs regimes, national tariffs, customs regulations and legislation, and after the initial configuration it remains fully flexible to adapt to changing customs regimes, regulations and legislation, as required. It also provides for electronic data interchange between traders and customs administrations using UN/EDIFACT rules.

222. The ASYCUDA implementation strategy has been developed to respond to the big challenge represented by such a complex reform programme. It aims to ensure full transfer of know-how in order to ensure long-term sustainability. At the same time it requires strong national commitment at all levels and it caters for continuous progress evaluation. Project activities are carried out in the following three phases:

(1) The preparation phase proceeds with an assessment of the actual situation. The national team, together with the international advisors, identify areas requiring reform, such as the introduction of international codes, the streamlining and simplification of clearance procedures, the alignment of forms to international standards, and the modernization of the national customs law to conform to the Kyoto Convention. While some of these reforms can be achieved and introduced early on in the project, others need to be acted upon in parliament and may therefore take much more time to be implemented. During this phase, technical and functional ASYCUDA implementation courses are delivered to build up the national implementation team and to prepare the psychological foundation for them to develop a sense of ownership of the system.

(2) The pilot implementation phase includes the preparation of the national ASYCUDA configuration, i.e. the coding of the tariff and the related regulations and legislation, the data entry of the control tables (declarant codes and addresses, customs office codes, etc.) and the preparation of valuation and selectivity systems. Computers for the pilot offices (normally headquarters, an airport, a sea port, a land boundary and an inland clearance office) are installed, configured and tested to confirm that the national customization of the system fully meets the requirements of the national regulations. The reform activities initiated in phase one are continued as necessary. A work plan for the implementation of the system throughout the

country (phase 3) is elaborated, together with an estimate of the resources required. A large training programme for customs staff and trade users is delivered during this phase.

(3) The roll-out phase can potentially be implemented by the national team with minimum or no assistance from international experts, if the transfer of skills and know-how was completely successful during the first two phases. In fact this phase is much more of a logistic challenge than an intellectual problem: it requires the physical preparation of all sites to be computerized, a large amount of training based on the model training courses of phase two, and the technical installation and support of computer systems in the identified sites. The configuration of the customs software will simply be copied from the appropriate pilot sites. The first two phases have a minimum duration of 18 months and they will only succeed with strong political commitment and support from the highest levels and with the full time availability of a competent and motivated national team of about 10 customs and technical staff.

223. **Output/results/impact**. The impact of ASYCUDA projects can easily be illustrated by a few examples. During the first full year of ASYCUDA operations in the port of Manila, the Philippines recorded an increase in customs revenue of over US$ 200 million despite an important reduction of import duties in compliance with WTO rules. Ghana and Mauritius have reduced average clearance time from one week to half a day. In Colombia improved customs operations through ASYCUDA have led to savings in stock levels and storage at Petroquimica Colombia s.a valued at US$ 4 million annually. In some other countries the results were less impressive, mainly because of resistance to the in-depth reforms of the customs system that the implementation of the programme requires. In some unfortunate cases, political unrest and revolution has led to the physical destruction of the ASYCUDA hardware, which has brought the activities to a complete stop.

224. Overall there are now more than 70 countries worldwide which have adopted the ASYCUDA programme, and 60 are utilizing it on a regular basis. In 1996, seven new projects were signed. A conservative estimate shows that in 1996 worldwide international trade worth more than 200 billion US$ was controlled by the ASYCUDA system. It is estimated that in 1996 this produced a total increase of revenue of at least one billion dollars and reduced the cumulative clearance time of all transactions by more than 50 000 days.

(ii) Multimodal transport

225. The main activity undertaken in this area concerns assistance to the land-locked countries of Central Asia.

226. The Central Asian External and Transit Transport Initiative, for which UNCTAD is the lead agency, was launched in April 1995. The initiative (also called "Rebuilding the Silk Road") aims at reducing transit costs facing the Central Asian republics, thereby promoting their external trade and bolstering their economic growth.

227. A technical meeting on Central Asia's transit transport links with world markets, held in Ankara, Turkey, from 7 to 9 November 1995, outlined a programme of reform designed to improve transit transport systems in Central Asia. A Transit Transport Framework Agreement was considered as a cornerstone of this reform programme.

228. The adoption of a common draft for the Transit Transport Framework Agreement was adopted in November 1996 in Issyk-Kul, Kyrgyzstan, and it was agreed that the draft would form the basis for negotiations with transit neighbours. The main documentation and backstopping for these meetings was provided by UNCTAD. Participating countries in this process include Afghanistan, Armenia, Azerbaijan, China, Georgia, Islamic Republic of Iran,

Kazakstan, Kyrgyzstan, Russian Federation, Tajikistan, Turkey, Turkmenistan and Uzbekistan.

2. Business Facilitation

Banking and Insurance

229. In 1996, activities took place only in the area of insurance.

230. **Development context**. A stable and strong financial system is a crucial factor of development. Particularly important in this respect is the insurance sector, not only because of its role as an intermediate service but also because of its impact on the economy as a whole, especially as a channel for investment finance.

231. The **objectives** of UNCTAD's activities in this area are to contribute to the development of efficient and competitive insurance markets in developing countries, in particular by assisting countries in establishing an appropriate framework for the functioning of such markets, in developing specific insurance schemes that would advance their economic development, and in setting up insurance training and education programmes to cover training of trainers and of professionals from both the insurance industry and the supervisory authorities.

232. **Output/impact**. Four seminars were organized in 1996 for the training of staff of supervisory insurance authorities from 30 African countries and 17 Caribbean countries and territories in Casablanca, Accra, Sun City (South Africa) and Curacao dealing with issues such as supervision of insurance activities, monitoring of financial solvency of insurance companies, privatization and liberalization of insurance markets. In a number of cases the countries participating were engaged in or had just completed the privatisation of the insurance sector; the supervisory authority had just been created, and the training provided was considered particularly timely and helpful.

233. UNCTAD also organized in November 1996 two workshops for about 30 African countries on agricultural insurance and on life insurance. The workshops also considered issues related to government support, legislation, human resources and other infrastructure requirements, especially in the case of agricultural insurance.

234. UNCTAD also convened an expert group for a risk mapping project in Africa (Geneva, January 1996) and co-sponsored with the African Insurance Organization a project for the training of trainers in insurance (Johannesburg and Sun City, February and May 1996).

235. UNCTAD also organized for participants from the public and private sector in China a seminar/workshop on reinsurance, insurance and new technologies in Beijing in May 1996.

236. In addition to the materials prepared for the above-mentioned courses and seminars. UNCTAD contributed to the finalisation in September 1996 of a manual for trainee staff of supervisory authorities. It also launched in 1996 a study on export credit insurance, which will be finalized soon.

237. In March 1996, UNCTAD undertook an evaluation mission to assist the Palestinian authorities in setting up a regulatory and supervisory framework on insurance. The recommendations contained in the mission report are being considered for implementation.

3. Services for Development

a. New Financial Services - Micro-Banks Project

238. **Development context**. Almost one-third of the labour force in developing countries earns its living in the informal sector. Micro-enterprises are an essential source of income for many unable to find jobs in the formal sector and represent an important tool in efforts to alleviate poverty. However, capital is often lacking because commercial banks shy away from the perceived high risk represented by poor micro-entrepreneurs, leaving the latter with two sources of funds: moneylenders (who charge very high interest rates) or micro-credit providers (who face an excess of demand over supply).

239. There are in the world about 7,000 micro-banks, which are financial institutions specialized in giving credit to the poor. The ability for micro-banks to mobilize resources under market conditions is crucial for them to achieve long-term sustainability, to be independent, to build a better balance, and to reduce their excessive reliance on donations and a handful of domestic lenders.

240. The **objective** is to increase the amount of credit available and reduce its cost for people living in poverty by opening up international financial markets to micro-banks operating in the developing world.

241. In addition, it is sought to enable micro-banks in developing countries to meet private international investors with a view to mobilizing resources in greater quantity and at a better price for the former and offering, to the latter, the possibility of diversifying into a new sector with a high growth rate and social impact.

242. **Output/results/impact**. A contribution made by the Government of Luxembourg allowed UNCTAD to conduct a feasibility study which showed that it was possible to establish a market link between private international investors and micro-banks operating in developing countries.

243. At UNCTAD IX, following the feasibility study, it was officially announced that the International Bank of Luxembourg (BIL) had created a private Micro-Banks Fund. This fund will invest in short- and medium-term debt instruments issued by micro-banks in developing countries, allowing them to reach a larger number of micro-entrepreneurs.

244. The project has thus been successful in promoting the establishment of the BIL Micro-Banks Fund, the first of its kind, and is now working closely with the Fund to ensure its successful operation. This success will hopefully stimulate market forces and attract other investment funds.

245. In this process a practical investment mechanism and instrument is being identified, paving the way for micro-banks to mobilize funds from international financial markets and for interested investors to enter in this sector. It will also demonstrate to private investors the investment potential and social impact of the emerging market of financial services for the poor.

b. Human Resources Development

246. **Development context**. Trade in goods requires that services, and notably transport services, be readily available, offering both efficiency and diversity. The terms of foreign trade and its potential to grow depend on the existence and nature of such services, and these depend above all on people - their skills, knowledge and attitudes and their operating environment.

247. The primary **objective** is to provide or reinforce in-country capacity for training and human resource development with regard to managing international transport, whereby the training needs of the sector can be identified and

satisfied most comprehensively through local resources or TCDC arrangements. A secondary objective is to provide training materials or to arrange training responding to immediate problems or policy issues not amenable to local solution. The development objective in both cases is that countries enhance their conditions of trade and opportunities for trade through more efficient and diversified services.

248. **Features**. UNCTAD has a well tried and thoroughly documented training methodology adapted to the needs of the international transport sector, whereby instructional techniques, curriculum development, and management of training and HRD can be conducted locally to high professional standards. UNCTAD has also created a system of cooperation, based on regional networking, that enables training centres or institutes to cooperate together in the preparation and conduct of training, as well as exchanging experience concerning strategic development. Interested training centres joint one of eight regional networks associated with the global TRAINMAR network; UNCTAD maintains a Central Support Team to assist the network and centres in developing and implementing strategies, maintaining standards, and obtaining external support where necessary.

249. **Output/results/impact**. More than 50 training centres or institutes now cooperate in the global TRAINMAR network. They cooperate within eight regional networks, and several run their own national networks themselves. Together they offer a capacity to train some 10.000 persons per year. Training developed by the centres themselves or by UNCTAD for their use covers port management, shipping, legal issues, multimodal transport and general management; the courses exchanged among centres have recently been enhanced by the preparation of long-term career training in modular form with focus on management of (1) ports and (2) transport and logistics.

250. The effects of training are notoriously difficult to measure, especially since training takes place in parallel with improvements in infrastructure, technology, and commercial and social systems. Evaluations that have been conducted show that the training offered by TRAINMAR centres reaches high standards and tackles local issues effectively; since there is no comparable system available the programme ought to be considered of high utility to participating countries. Since training is conducted under the authority of local institutes, precise performance statistics are not, in any case, available to UNCTAD, nor do project funds channelled through UNCTAD in any way represent the investment in TRAINMAR, since this is mostly undertaken by countries themselves or funds channelled to them directly. In 1996 there were 13 TRAINMAR projects being executed directly by UNCTAD, and funds disbursed amounted to US$ 872,000, excluding overheads.

4. The Global Trade Point Network (GTPNet) (Web site address: http://www.unic.org/untpdc)

251. **Development context**. The Trade Point Programme is the operational component of the Trade Efficiency initiative. Trade Points are interconnected in the GTPNet, a global, Internet-based trade-related network, launched at the Symposium on Trade Efficiency (UNISTE) in 1994 as a major tool for the integration of developing countries and SMEs worldwide into the global economy.

252. On the occasion of UNCTAD IX, member countries confirmed that UNCTAD's primary role in this sector is to assist developing countries and countries in transition in generating trade-supporting services which are adapted to their particular requirements, with a particular focus on services addressing the needs of small and medium-sized enterprises. The secretariat was requested to consolidate the GTPNet.

253. The main **objectives** are: to enhance the participation of developing countries and economies in transition in international trade, with special emphasis on SMEs and LDCs; to reduce transaction costs and promote better trade

practices; to allow better access for traders to trade-related information and global networks; and to promote the use of international EDI standards such as UN-EDIFACT.

254. **Features**. With UNCTAD IX, the Trade Point Programme entered the third phase of its existence. It consists in building upon the results achieved in the first two phases to upgrade GTPNet from a pre-transactional trade network into a transactional tool, where actual payments can be made and contracts signed.

255. The foundations of the Trade Point Programme were reinforced by strong inter-institutional cooperation between UN/ECE, ITC and UNCTAD.

256. In 1996, Trade Points continued to exchange experiences and cooperate in order to improve the Network. Several regional meetings, seminars, workshops and conferences were held. Some Trade Point directors also assisted other Trade Points (especially in their set-up phase), including through advisory missions to other Trade Points.

257. In Latin America, two interregional meetings were held, in Santiago, Chile (April 1996), and Lima, Peru (November 1996), where the first regional Trade Point Forum was created. In October 1996, the Russian National Trade Point organized the First International Trade Point Directors Meeting in Moscow under the heading of "Integration of Central and Eastern Europe in the Global Trade Point Network". The first regional meeting of African Anglophone Trade Points was held in Harare, Zimbabwe, on 31 October - 1 November 1996. It was agreed among participants that a regional forum of Eastern and Southern African Trade Points be set up.

258. The IVth World Trade Point Meeting was held on 1-3 May 1996 in Midrand, South Africa, in parallel with UNCTAD IX. Sixty-five Trade Point representatives from 41 countries made a further step forward in the consolidation of the GTPNet by ratifying a set of guidelines for financial sustainability and cooperation among Trade Points. Trade Point representatives requested the assistance of UNCTAD and ITC to create "Virtual Trade Fairs", a new service on the GTPNet for the development of multimedia product catalogues available both on the Internet and on CD-ROMs.

259. Three GTPNet technical cooperation projects continued in 1996: one on "Setting up the Global Trade Point Network", one on "Support to the establishment and networking of Trade Points in sub-Saharan Africa and Central Asia" and one on "Support to the Establishment of a Trade Efficiency Network in Africa". Two projects "Establishment of the Global Trade Point Network Backbone Connection" and "Pilot Phase of the Trade Efficiency Review Mechanism" were completed in 1996.

260. Electronic trade opportunities (ETOs) continued to be disseminated. ETOs are offers to buy and/or sell which can be accessed on the GTPNet from all connected Trade Points and ETO subscribers around the world. ETOs are electronic messages sent out in free format or using UN-EDIFACT compatible standards (PRICAT message), which allow their easy retrieval and selection. In order to provide for secure ETOs, a new breed of ETOs appeared on the GTPNet in November 1996, which will contribute to making the GTPNet one of the first global networks adapted to full electronic trade transactions on the Internet. This system introduces secure requirements for validation, authentication and secure payment processing in the GTPNet.

261. Web incubator: in many countries, particularly the LDCs, access to Internet is still inexistent, slow or costly. In such cases, the GTPNet provides a free service to "incubate" the Internet sites of Trade Points: Web pages are created and maintained free of charge by UNCTAD.

262. **Output/results/impact**. As of January 1997, 108 countries were involved in GTPNet, of which 21 were least developed ones. There were 90 Trade Points at the feasibility stage (UNCTAD had received an official request from the Government, and a Trade Point coordinator had been appointed), eight at the development stage (the Trade Point had been recognized as a legal entity in its country, and its business plan had been submitted to UNCTAD) and 40 at the operational stage (the Trade Point had started to offer services to its clients, particularly SMEs). In 1996, 30 Trade Points were "incubated" by the United Nations Trade Point Development Centre (UNTPDC) in Melbourne, Australia. At present, the UNTPDC Internet Incubator includes over seven GB of home pages. At the end of 1996, 29 mirror sites of the main GTPNet servers (based in Geneva and Melbourne) were operational in 23 countries. Mirror sites are read-only replications of the main GTPNet servers. The impact of the mirror sites is large, since the UNTPCD updates all the servers around the world with one single operation, which allows the GTPNet to have a large Internet presence at very low cost.

263. The Expert Group on Information and Standards in the GTPNet developed a UN/EDIFACT-compatible standard for ETOs (contained in the document "UNCTAD trade information interchange standards", January 1996) which was officially adopted by Trade Point Directors at the IVth World Meeting in Midrand.

264. In 1996 and the first months of 1997, an average of 200 ETOs were disseminated among Trade Points and ETO subscribers daily. Since the creation of the GTPNet, over one billion ETOs have been exchanged among Trade Points and their users. It is estimated that every day, ETOs reach over 7 million companies around the world: 40 per cent via E-mail, 30 per cent via News Groups and the Web Trading Place (direct download), 20 per cent via bulletin board services (ASCII-based services) and the remaining 10 per cent via newspapers, ETO brochures, etc.

265. The Expert Group on Financial Sustainability and Cooperation among Trade Points finalized the "Guidelines for financial sustainability and cooperation among Trade Points". This document has become a milestone of cooperation in the GTPNet.

266. The Inter-American Trade Point Forum, created in November 1996, is the first of its kind and represents a preliminary step towards the creation of an institutional body governing the GTPNet.

267. An interactive training centre was made available on the GTPNet Web site. It includes Trade Point, ETO and trade efficiency tutorials.

268. A promotional leaflet on the GTPNet was produced by the UNCTAD secretariat. Several Trade Points also published their own information material.

D. Division for Services Infrastructure for Development and Trade Efficiency

Country/Territory/ Region	Project Number	Short Title	Duration		Status in 1996	Type of project	Source of funds	Total Budget	Expenditures Cumulative	Expenditures 1996
1. Trade Infrastructure										
a. Transport										
I. ACIS										
BANGLADESH	BGD/94/A57	Railway wagon information and control system (RAILWICS)	1995	1997	ONGOING		GERMANY	813	208	201
BURKINA FASO	BKF/92/A35	Installation de RailTracker BTI (SCFB - SICF)	1992	1997	ONGOING		BURKINA FASO	123	115	1
CAMEROON	CMR/93/A24	Installation du système RailTracker à la REGIFERCAM	1993	1997	ONGOING		CAMEROON	22	7	7
SENEGAL	SEN/93/A23	ACIS RailTracker on SNCS	1993	1996	OPC		SENEGAL	213	212	2
SUDAN	SUD/93/A10	Technical assistance to Sudan Railways Corporation (SRC)	1993	1996	OPC		SUDAN RAILWAYS CORPORATION/ WORLD BANK	122	109	36
TANZANIA (United Rep.)	URT/93/A43	TCR Restructuring Project Design and Implementation of RailTracker	1993	1997	ONGOING		EUROPEAN COMMISSION	356	301	33
REGIONAL AFRICA	RAF/92/A40	Création du système de saisie et de taxation informatisées compatible avec SICOF/GTI-SIAM	1993	1996	OPC		FRANCE	271	259	-12
	RAF/94/A70	Development and installation of ACIS in COMESA	1995	1998	ONGOING		EUROPEAN	7,543	2,728	1,259
	RER/95/A52	Rail Freight Traffic Management & Information System TRACECA Programme/Tacis	1995	1997	ONGOING		EUROPEAN COMMISSION	978	245	245
							Sub-total ACIS:	***10,439***	***4,185***	***1,773***

Country/Territory/ Region	Project Number	Short Title	Duration		Status in 1996	Type of project	Source of funds	Total Budget	Expenditures Cumulative	Expenditures 1996
ii. Ports, Shipping and Training										
SOMALIA	SOM/93/003	Port rehabilitation in Somalia	1993	1997	ONGOING		UNDP	4,608	3,164	818
	SOM/96/A08	Somali Port management assistance	1996	1997	ONGOING		EUROPEAN COMMISSION	551	179	179
	SOM/96/A47	Assistance to the Bari Regional Administration	1996	1997	ONGOING		EUROPEAN COMMISSION	512	0	0
THAILAND	THA/96/A54	Private participation in shipping and related services - sectoral analysis and development proposals	1996	1997	ONGOING		JAPAN	176	9	9
INTERREGIONAL	INT/82/A05	Seminar on Container Terminal Management	1982	1996	COMPLETED		BELGIUM	644	644	29
	INT/83/A04	Course on Improving Port Performance (IPP)	1983	1996	COMPLETED		MULTIDONORS	458	458	41
	INT/88/A01	STRATSHIP Strategic planning course	1988	1996	ONGOING		NORWAY	211	196	2
	INT/92/A01	New commercial role of Ports and Port Marketing	1992	1996	COMPLETED		BELGIUM	488	488	72
						Sub-total Ports, Shipping and Training:		***7,648***	***5,138***	***1,148***
b. Trade Facilitation										
I. ASYCUDA										
ARMENIA	ARM/94/A21	Strengthening Customs Administration and Trade Facilitation Programme	1994	1997	ONGOING	IALA/WORLD BANK	ARMENIA	1,372	1,149	512
COLOMBIA	COL/91/004	SIDUNEA	1991		ONGOING		UNDP	1,519	641	25
COLOMBIA	COL/94/006	* Modernización de la administración financiera - SIDUNEA	1996	1998	ONGOING	IALA/GOVT	UNDP	597	13	13

Country/Territory/ Region	Project Number		Short Title	Duration		Status in 1996	Type of project	Source of funds	Total Budget	Expenditures Cumulative	Expenditures 1996
EL SALVADOR	ELS/92/018		Sistema aduanero automatizado (SIDUNEA)	1992	1997	ONGOING		UNDP	269	232	8
	ELS/94/005	*	SIDUNEA Phase III	1994	1996	COMPLETED	IALA/GOVT	UNDP	214	214	42
	ELS/96/009	*	Modernización del sistema de aduanas	1996	1997	ONGOING	IALA/GOVT	UNDP	371	41	41
ETHIOPIA	ETH/94/005	*	ASYCUDA	1996	1997	ONGOING	IALA/GOVT	UNDP	671	90	90
GAMBIA	GAM/91/004		ASYCUDA	1992	1997	ONGOING		UNDP	612	487	2
GEORGIA	GEO/94/A52		Trade facilitation (FALPRO)	1994	1997	ONGOING		GEORGIA	1.040	612	341
GIBRALTAR	GIB/91/A24		ASYCUDA	1991	1996	OPC		GIBRALTAR	284	283	2
GUYANA	GUY/90/003	*	ASYCUDA	1994	1996	OPC	IALA/UNDP	UNDP	298	272	87
HAITI	HAI/95/007	*	Plan d'urgence pour le Ministère des Finances - Douanes	1995	1997	ONGOING	IALA/GOVT	UNDP	549	401	354
HONDURAS	HON/92/018	*	SIDUNEA	1993	1996	ONGOING	IALA/GOVT	UNDP	525	683	180
INDONESIA	INS/90/023		Facilitation of trade procedures and documentation	1993	1997	ONGOING		UNDP	731	710	173
IRAN	IRA/96/003	*	ASYCUDA - Pilot Phase I	1996	1998	ONGOING	IALA/GOVT	UNDP	413	107	107
LEBANON	LEB/92/017	*	Fiscal reform and administration	1993	1997	ONGOING	IALA/GOVT	UNDP	643	449	217
MALTA	MAT/91/A10		ASYCUDA training course	1991	1996	OPC		MULTIDONORS	64	30	6
	MAT/91/A25		ASYCUDA	1992	1997	ONGOING		MALTA	486	467	0
MAURITANIA	MAU/92/002		Facilitation du commerce extérieur	1992	1997	ONGOING		UNDP	624	595	69
FORMER YUGOSLAV REPUBLIC OF MACEDONIA	MCD/96/A03		ASYCUDA Support Activities	1996	1997	ONGOING		EUROPEAN COMMISSION	845	365	365

Country/Territory/ Region	Project Number		Short Title	Duration		Status in 1996	Type of project	Source of funds	Total Budget	Expenditures Cumulative	Expenditures 1996
MALDIVES	MDV/91/005		ASYCUDA	1992	1995	COMPLETED		UNDP	281	281	4
MALI	MLI/89/009	*	Appui aux administrations financières maliennes	1991	1997	ONGOING	IALA/GOVT	UNDP	493	177	0
	MLI/94/003	*	Renforcement des capacités de mise en place d'une gestion décentralisée du développement	1994	1997	ONGOING	IALA/GOVT	UNDP	26	24	24
MONGOLIA	MON/93/001		ASYCUDA	1993	1997	ONGOING		UNDP	434	423	0
	MON/94/008		Computerization of Customs Data (Phase II)	1995	1997	ONGOING		UNDP	451	439	76
NAMIBIA	NAM/93/A27		ASYCUDA	1993	1996	COMPLETED	Preparatory Assistance	NAMIBIA	104	104	2
NAMIBIA	NAM/94/A31		ASYCUDA	1993	1997	ONGOING		DENMARK	1.594	1.201	660
NEPAL	NEP/96/A08		Efficiency enhancement of customs operations	1996	1998	ONGOING		ASIAN	779	129	129
PANAMA	PAN/92/009	*	Sistema Aduanero Automatizado SIDUNEA	1993		ONGOING	IALA/GOVT	PANAMA	329	448	115
PHILIPPINES	PHI/94/A36		ASYCUDA	1994	1997	ONGOING		PHILIPPINES	2.269	1.188	410
ROMANIA	ROM/95/A53		ASYCUDA	1995	1997	ONGOING		UNITED KINGDOM	1.271	619	432
	ROM/96/002		ASYCUDA	1996		ONGOING		UNDP	273	0	0
SRI LANKA	SRL/91/018	*	Improving customs administration through computerization	1991	1995	ONGOING	IALA/GOVT	UNDP	1.211	1.197	21
SAO TOME & PRINCIPE	STP/91/003		Informatisation des douanes	1992	1997	ONGOING		UNDP	162	156	17
SURINAME	SUR/94/001		Computerization of Customs Procedures	1994	1997	ONGOING		UNDP	155	121	8
TANZANIA (United Rep.)	URT/93/009		ASYCUDA	1994	1997	ONGOING		UNDP	679	422	126
TRINIDAD & TOBAGO	TRI/90/004		ASYCUDA	1991	1995	OPC		UNDP	39	30	0

Country/Territory/ Region	Project Number		Short Title	Duration		Status in 1996	Type of project	Source of funds	Total Budget	Expenditures Cumulative	Expenditures 1996
	TRI/95/003	*	Technical Support for the Maintenance of ASYCUDA	1996	1997	ONGOING		UNDP	64	1	1
TURKS & CAICOS ISLAND	TCI/91/001		ASYCUDA	1991	1997	ONGOING		UNDP	88	82	0
UGANDA	UGA/96/A48		ASYCUDA	1996	1998	ONGOING		UGANDA/WB	519	49	49
VENEZUELA	VEN/93/005	*	Modernización de aduanas	1993	1997	ONGOING	IALA/GOVT	UNDP	416	402	0
VIET NAM	VIE/91/007		ASYCUDA (Phase I)	1992	1997	ONGOING		UNDP	687	665	293
REGIONAL AFRICA	RAF/92/A37		Computerization of customs and foreign trade statistics for the Eastern and Southern Africa COMESA	1992		ONGOING		EUROPEAN COMMISSION	3,354	2,533	580
REGIONAL ASIA & PACIFIC	RAS/89/035		Automation of customs accounting and data management	1989	1997	ONGOING		UNDP	1,809	1,744	149
	RAS/92/430	*	Tumen River Area Development Programme	1996		ONGOING	IALA/UNOPS	UNDP	36	24	24
REGIONAL LATIN AMERICA	CAR/88/002		ASYCUDA - OECS	1989	1996	OPC		UNDP	1,032	1,031	29
	CAR/94/004	*	OECS Trade Information System	1994	1997	ONGOING	IALA/OECS	UNDP	614	237	96
REGIONAL EUROPE	RER/94/A28		Implementaion of ASYCUDA in the Slovak Republic and Hungary	1994	1997	ONGOING		UNITED KINGDOM	2,457	1,970	703
INTERREGIONAL	INT/91/A45		Installation d'un centre de développment SYDONIA en Colombie	1991	1996	OPC		SWITZERLAND	271	257	-3
	INT/93/A31		ASYCUDA	1993	1996	OPC		SWEDEN	542	541	8
	INT/94/A20		Support to developpent of EDI - Transport Data Control and Management	1994	1997	ONGOING		SWITZERLAND	419	375	21
	INT/94/A44		Support to the enhancement and dissemination of ASYCUDA	1994	1997	ONGOING		SWITZERLAND	449	443	139

Country/Territory/ Region	Project Number	Short Title	Duration		Status in 1996	Type of project	Source of funds	Total Budget	Expenditures Cumulative	1996
	INT/94/A49	ASYCUDA marketing activities	1994	1997	ONGOING		MULTIDONORS	150	7	0
	INT/94/A63	Facilitation and Automation of Trade Procedures Advisory and Development Services	1994	1996	OPC		SWEDEN	74	72	72
	INT/95/A59	ASYCUDA	1995	1997	ONGOING		DENMARK	1 147	605	481
	INT/95/A62	Trade Efficiency in the Area of Customs Development of an EDIFACT Engine for ASYCUDA	1995	1996	OPC		ITALY	100	100	54
	INT/95/X67	Associate Expert - ASYCUDA	1995	1997	ONGOING		ITALY	117	107	81
	INT/96/A23	ASYCUDA	1996	1997	ONGOING		UNITED KINGDOM	107	55	55
							Sub-total ASYCUDA	***37,127***	***26,100***	***7,490***

ii. Multimodal Transport

KAZAKHSTAN	KAZ/95/019	Central Asian External Trade and Transit Transport Initiative Rebuilding the Silk Road	1996		ONGOING		UNDP	50	8	8
KYRGYZSTAN	KYR/96/009	Central Asian External Trade and Transit Transport Initiative Rebuilding the Silk Road	1996		ONGOING		UNDP	55	9	9
MOZAMBIQUE	MOZ/92/A19	Intermodal Transport & Customs Facilitation Program	1993	1996	OPC		MOZAMBIQUE	105	105	4
TAJIKISTAN	TAJ/96/004	Central Asian external trade and transit initiative	1996		ONGOING		UNDP	55	5	5
TURKMENISTAN	TUK/96/007	Central Asian external trade and transit initiative	1996		ONGOING		UNDP	50	7	7
UZBEKISTAN	UZB/96/011	Central Asian External Trade and Transit Transport Initiative Rebuilding the Silk Road	1996		ONGOING		UNDP	55	16	16

Country/Territory/ Region	Project Number	Short Title	Duration		Status in 1996	Type of project	Source of funds	Total Budget	Expenditures Cumulative	Expenditures 1996
REGIONAL ASIA & PACIFIC	RAS/93/036	Programme for Economic Reforms through enhanced transport and communication services	1993	1998	ONGOING		UNDP	551	486	56
REGIONAL EUROPE	RER/95/001	Central Asian External Trade and Transit Transport Initiative Rebuilding the Silk Road (Activities transferred to country projects)	1995	1996	CLOSED		UNDP	500	106	-37
INTERREGIONAL	INT/93/A22	Introduction of multimodal transport and microcomputer software programmes	1993	1998	ONGOING		MULTIDONORS	27	18	1
							Sub-total Multimodal Transport:	***1,448***	***760***	***70***
							Total Trade Infrastructure	***56,662***	***36,183***	***10,481***
2. Business Facilitation										
REGIONAL AFRICA	RAF/94/A38	Developpement de marchés des assurances compétitifs	1994	1999	ONGOING		LUXEMBOURG	1,171	462	267
ETHIOPIA	ETH/87/021	Drafting of maritime codes	1988	1997	ONGOING		UNDP	245	214	9
							Total Business Facilitation:	***1,416***	***676***	***276***
3. Services for Development										
a. New Financial Services										
INTERREGIONAL	INT/95/A90	Micro-Banques	1995	1998	ONGOING		LUXEMBOURG	101	92	50
							Sub-total New Financial Services:	***101***	***92***	***50***

Country/Territory/ Region	Project Number	Short Title	Duration		Status in 1996	Type of project	Source of funds	Total Budget	Expenditures Cumulative	Expenditures 1996
b. Human Resources Development										
GABON	GAB/95/A61	TRAINMAR	1996	1997	ONGOING		GABON	58	13	13
NIGERIA	NIR/95/A92	TRAINMAR (Pilot Project)	1995	1997	ONGOING		NIGERIA	57	36	-1
ROMANIA	ROM/94/A25	TRAINMAR: Maritime School of Costanza	1994	1997	ONGOING		EUROPEAN COMMISSION	74	64	11
	ROM/95/A06	Plan of action for TRAINMAR	1995	1997	ONGOING		EUROPEAN COMMISSION	141	75	62
VIET NAM	VIE/93/A08	TRAINMAR	1993	1997	ONGOING	Preparatory Assistance	FRANCE	45	45	0
REGIONAL AFRICA	RAF/92/A07	TRAINMAR pour l'Angola et le Mozambique	1994	1997	ONGOING		MOZAMBIQUE EUROPEAN	959	888	342
REGIONAL LATIN AMERICA	CAR/92/A45	TRAINMAR-CARAIBES	1992	1996	OPC		FRANCE	124	121	-1
	CAR/95/A65	TRAINMAR - CARAIBES	1995	1998	ONGOING		FRANCE	129	38	38
	RLA/87/A07	TRAINMAR	1987	1997	ONGOING		EUROPEAN COMMISSION	495	495	9
	RLA/92/A41	TRAINMAR for the South American sub-region	1992	1996	OPC		GERMANY	845	811	46
REGIONAL EUROPE	RER/94/A08	TRAINMAR - EUROPE: Conception du séminaire stratégique sur le short sea en Europe	1994	1997	ONGOING		EUROPEAN COMMISSION, MULTIDONORS	163	120	11
INTERREGIONAL	INT/91/A13	Training in Port Tariff Management	1991	1996	ONGOING		NETHERLANDS	55	55	10

Country/Territory/ Region	Project Number	Short Title	Duration		Status in 1996	Type of project	Source of funds	Total Budget	Expenditures Cumulative	1996
	INT/91/A15	TRAINMAR	1991		ONGOING		MULTIDONORS	397	358	78
	INT/93/A13	Conception d'un cours TRAINMAR Europe	1993	1996	OPC		FRANCE, EUROPEAN COMMISSION	71	71	4
	INT/93/A26	JOBMAR	1993	1996	ONGOING		MULTIDONORS	21	16	3
	INT/94/A54	Centre TRAINMAR Belgique	1994	1999	ONGOING		BELGIUM	204	202	149
	INT/96/A55	TRAINMAR	1996	1997	ONGOING		MULTIDONORS	64	0	0
						Sub-total Human Resources Development:		*3,902*	*3,408*	*776*
						Total Services for Development:		*4,003*	*3,500*	*827*
4. Global Trade Point Network (GTPNet)										
HUNGARY	HUN/94/003	Preparing participation of Hungary in the UNCTAD Trade Point Programme	1995	1997	ONGOING		UNDP	52	27	0
PANAMA	PAN/95/029	Estudio de factibilidad para la creación de un Trade Point	1996	1997	ONGOING		UNDP	24	15	15
REGIONAL AFRICA	RAF/94/A33	Support to the establishment of a Trade Efficiency Network in Africa	1994	1996	COMPLETED		NETHERLANDS	129	129	43
REGIONAL EUROPE	RER/96/A52	GTPNet preparatory assistance missions to Bulgaria, Romania and Russia	1996	1997	ONGOING		SWITZERLAND	18	15	15
INTERREGIONAL	INT/92/A43	Establishment of Trade Point system and creation of Trade Efficiency network	1992	1996	COMPLETED		SWITZERLAND	449	449	11

Country/Territory/ Region	Project Number	Short Title	Duration		Status in 1996	Type of project	Source of funds	Total Budget	Expenditures Cumulative	Expenditures 1996
	INT/92/A47	Support to the establishment of the Trade Point system and to the creation of a Trade Efficiency Network	1993	1996	COMPLETED		NORWAY	109	109	4
	INT/93/A06	Trade Efficiency	1993	1997	ONGOING	Preparatory Assistance	USA	449	354	0
	INT/94/A10	Associate Expert - Transnational Corporations	1994	1997	ONGOING		DENMARK	299	250	98
	INT/94/A59	Trade Point Directors meeting, Geneva 6-7 September 1994	1994	1996	COMPLETED		SWITZERLAND	101	101	28
	INT/94/A62	Support to the establishment and networking of Trade Points	1994	1997	ONGOING		USA	225	218	123
	INT/95/A63	Establishment of the Global Trade Point Network Backbone Connection	1995	1996	OPC		ITALY	150	148	8
	INT/95/A67	Setting up the Global Trade Point Network	1995	1998	ONGOING		SWITZERLAND	529	440	394
	INT/96/A29	Organizing the South African National Event: The Executive Symposium on Trade Efficiency	1996	1996	ONGOING		SWITZERLAND	243	214	214
						Total Global Trade Point Network:		***2,777***	***2,469***	***953***
		Total DIVISION FOR SERVICES INFRASTRUCTURE FOR DEVELOPMENT AND TRADE EFFICIENCY:						***64,858***	***42,828***	***12,536***

E. Office of the Special Coordinator for Least Developed, Land-Locked and Island Developing Countries

269. Although LDCs issues, including technical cooperation projects, are now being considered throughout the UNCTAD secretariat, the responsibility for coordinating the activities relating to the least developed, land-locked and small island developing countries rests within the Office of the Special Coordinator for Least Developed, Land-Locked and Island Developing Countries. This Office coordinates the sectoral work, monitors the implementation of the Paris Programme of Action and other relevant programmes of action and provides inputs for review by the Trade and Development Board, and is responsible for the implementation of a number of technical assistance projects.

270. **Development context**. The main challenge facing the least developed countries is their integration into the world economy and the international trading system so that they can derive greater benefits from increasing globalization and liberalization and avoid further marginalization.

271. **Objectives**. A central component of UNCTAD's role in assisting LDCs to integrate into the world economy is the provision of technical assistance to:

- Strengthen supply capacities, at the national level, of their exportable goods and services;
- Facilitate the implementation of the Programme of Action for LDCs for the 1990s
- Implement the recommendations of the Mid-term Global Review of the implementation of the programme of Action;
- Follow-up and implement the measures in favour of LDCs adopted by major global conferences.

272. **Features**. The focus of the technical assistance activities backstopped in 1996 by the Office of the Special Coordinator for the Least Developed, Land-locked and Island Developing Countries related to the follow-up and implementation of the measures in favour of LDCs adopted by major global conferences. A Trust Fund project financed by the Netherlands takes as a point of reference the focus accorded by the recent series of global conferences to the socio-economic problems of LDCs and the need to adopt measures which could make more operational the emerging global consensus in respect of development problems of LDCs, particularly in the areas of social development and macro-economic reforms. The activities of the project are being carried out through a combination of field work and research in five complementary socio-economic domains. These concern:

- Enhancing the participation of women entrepreneurs in LDCs economies;
- Implementation of the 20/20 Initiative in LDCs;
- Financial sector reforms in LDCs;
- Fiscal reform in LDCs;
- Assessing the impact of the Uruguay Round on LDCs' external trade.

273. The primary focus of the work is placed on LDCs in the Sub-Saharan region.

274. **Output/results/impact**. The work under the project progressed well in the areas related to the assessment of the Uruguay Round and financial sector reform in LDCs. A paper on methodological issues was prepared to assess the impact of the Uruguay Round on LDCs' external trade. The study highlights the relevant issues in LDCs with reference to the Uruguay Round Agreements. Staff participated in a seminar organized by the EU, ACP and WTO for ACP countries on the possible impact of the Uruguay Round Agreements on ACP countries.

275. With reference to the financial sector reforms in LDCs, three country case studies were undertaken, one in Africa and two in Asia, to assess the progress in and constraints on financial sector reform programmes in LDCs. In addition, technical assistance was provided to one African LDC to strengthen the

regulation and supervision of non-bank financial institutions. The recommendation contained in the report has prompted action to strengthen prudential supervision and revise prudential regulation of non-bank financial institutions.

276. Furthermore, initial discussions took place concerning the Implementation of the 20/20 Initiative in LDCs and the follow-up to the Beijing Conference on Women, as well as fiscal reforms in LDCs. The latter entail a strategic review of the tax and revenue system in selected LDCs and recommendations for reforms to broaden the tax base and increase tax revenue.

277. A Trust Fund project financed by several donors made possible the participation of representatives from thirteen LDCs at UNCTAD IX.

E. Office of the Special Coordinator for Least Developed, Land-locked and Island Developing Countries

Country/Territory/ Region	Project Number	Short Title	Duration		Status in 1996	Type of project	Source of funds	Total Budget	Expenditures Cumulative	Expenditures 1996
INTERREGIONAL	GLO/94/001	Assistance to LDCs for the preparation of the Mid-term Global Review Conference for the Programme of Action	1994	1997	OPC		UNDP	160	147	12
	INT/92/A17	LDC participation in Trade and Development Board sessions	1993	1997	ONGOING		NORWAY	51	41	5
	INT/94/808	Evaluation of transit systems in Land-locked and transit developing countries	1994	1995	OPC		UNDP	50	48	0
	INT/95/A15	Symposium for land-locked and transit developing countries (New York, 14-16 June 1995)	1995	1996	OPC		NORWAY	31	25	-3
	INT/95/A50	Expert Group Meeting on Trade Diversification in LDCs	1995	1996	OPC		ITALY	60	49	4
	INT/96/A14	Follow-up and implementation of measures in favour of LDCs adopted by major global conferences	1996	1998	ONGOING		NETHERLANDS	738	96	96
	INT/96/A32	LDC participation at UNCTAD IX	1996	1996	ONGOING		FRANCE, NORWAY, SWITZERLAND	55	48	48
		Total LEAST DEVELOPED, LAND-LOCKED AND ISLAND DEVELOPING COUNTRIES:						***1,144***	***454***	***163***

F. Executive Direction and Management and Support Services

278. Certain technical co-operation activities are undertaken centrally in view of their inter-divisional nature.

1. Advisory Services

279. As reported in previous years, UNCTAD's technical cooperation is supported not only by project-specific funds but also by two other sources, namely UNCTAD's sectoral support programme and section 12 of the United Nations programme budget.

280. UNDP's sectoral support helps organizations such as UNCTAD with no field representation to extend policy and technical advice to Governments and to assist them and UNDP resident representatives in developing programmes and project proposals for submission to UNDP and other donors. Because they can be used flexibly and at short notice, these funds are extremely useful to UNCTAD. Sectoral support funds were used, in 1996, to continue work on the series of country policy reviews in the areas of investment, science, technology and innovation, trade efficiency and LDC reforms. Resources were also used to extend advice and technical support on trade policy issues and issues related to the results of the Uruguay Round, as well as on the Global Trade Point Network and on entrepreneurship development (EMPRETEC). Resources were also used to demonstrate such UNCTAD software as ASYCUDA and ACIS to interested countries and for TRAINFORTRADE. Regrettably, the sectoral support programme of UNDP was discontinued as from 1997 onwards.

281. Under section 12 of the United Nations programme budget, UNCTAD received an allotment equivalent to 36 work-months in 1996, together with travel funds, for the purpose of interregional advisory services. These resources were devoted to three main areas: economic cooperation among developing countries, trade and trade-related services, and entrepreneurship and SME development. Advisers undertook nine missions in 1996.

2. Consultancy study

282. Finally, mention should be made of the feasibility study undertaken in 1996 on the establishment of a consultancy firm which would be entrusted with the task of development and sale of computer software and other computerized systems. The outcome of this consultancy is discussed in section IV of document TD/B/44/11.

F. Executive Direction and Management and Support Services

Project Number	Short Title	Duration		Status in 1996	Type of project	Source of funds	Total Budget	Expenditures Cumulative	Expenditures 1996
INT/83/X40	Sectoral support	1988		ONGOING		UNDP	4,624	4,352	412
INT/90/A10	Liaison and assistance with technical co-operation donors	1990	1997	ONGOING		ITALY	492	424	39
INT/95/A45	Feasibility study on the establishment of a consultancy company to market selected UNCTAD products and services	1995	1997	ONGOING		SWITZERLAND	44	31	31
INT/95/A93	Sixth UNCTAD-NGO Consultation: NGO involvement at UNCTAD IX	1995	1996	OPC		ITALY	27	21	-5
INT/95/A95	International seminar on technical cooperation for trade and development	1995	1996	OPC		SWITZERLAND	15	11	9
INT/96/A33	Planning study in the field of UNCTAD evaluation and monitoring	1996	1996	OPC		UNITED KINGDOM	13	9	9
UND12.340	Interregional advisory services	1988		ONGOING		UN Regular Programme	5,794	4,464	538
						Total EXECUTIVE DIRECTION AND MANAGEMENT AND SUPPORT SERVICE	*11,009*	*9,312*	*1,032*